THE SENATE OF CANADA

SPEAKER: Hon. Élie Beauregard

Official Report of Debates

1949

Editor: H. H. EMERSON, *C.S.R.*, Room 236, The Senate

Reporters: B. P. LAKE, *C.S.R.*, G. B. HAGEN, *C.S.R.*
P. H. SHELTON, *C.S.R.*, T. S. HUBBARD, Jr.
V. LEMIRE, *M.B.E.* (Sessional)

Translators: THE BUREAU FOR TRANSLATIONS

FIRST SESSION—TWENTY-FIRST PARLIAMENT
13 GEORGE VI

OTTAWA
EDMOND CLOUTIER, C.M.G., B.A., L.Ph.,
KING'S PRINTER AND CONTROLLER OF STATIONERY
1950

THE CANADIAN MINISTRY

According to Precedence as at August 24, 1949

THE RIGHT HONOURABLE LOUIS STEPHEN ST. LAURENT ..... Prime Minister and President of the King's Privy Council for Canada.

THE RIGHT HONOURABLE CLARENCE DECATUR HOWE ..... Minister of Trade and Commerce.

THE RIGHT HONOURABLE JAMES GARFIELD GARDINER ..... Minister of Agriculture.

THE HONOURABLE JAMES ANGUS MACKINNON ..... A Member of the Administration and Minister without Portfolio.

THE HONOURABLE COLIN GIBSON ..... Minister of Mines and Resources.

THE HONOURABLE HUMPHREY MITCHELL ..... Minister of Labour.

THE HONOURABLE ALPHONSE FOURNIER ..... Minister of Public Works.

THE HONOURABLE BROOKE CLAXTON .... Minister of National Defence.

THE HONOURABLE LIONEL CHEVRIER .... Minister of Transport.

THE HONOURABLE PAUL JOSEPH JAMES MARTIN ..... Minister of National Health and Welfare.

THE HONOURABLE DOUGLAS CHARLES ABBOTT ..... Minister of Finance and Receiver General.

THE HONOURABLE JAMES J. MCCANN ... Minister of National Revenue.

THE HONOURABLE WISHART MCL. ROBERTSON ..... A Member of the Administration and Minister without Portfolio.

THE HONOURABLE MILTON FOWLER GREGG ..... Minister of Veterans Affairs.

THE HONOURABLE ROBERT WELLINGTON MAYHEW ..... Minister of Fisheries.

THE HONOURABLE LESTER BOWLES PEARSON ..... Secretary of State for External Affairs.

THE HONOURABLE STUART SINCLAIR GARSON ..... Minister of Justice and Attorney General.

THE HONOURABLE ROBERT HENRY WINTERS ..... Minister of Reconstruction and Supply.

THE HONOURABLE FREDERICK GORDON BRADLEY ..... Secretary of State of Canada.

THE HONOURABLE HUGUES LAPOINTE... Solicitor General of Canada.

THE HONOURABLE GABRIEL EDOUARD RINFRET ..... Postmaster General.

PRINCIPAL OFFICERS OF THE PRIVY COUNCIL

Clerk of the Privy Council and Secretary to the Cabinet..... N. A. ROBERTSON, Esquire.

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

SENATORS OF CANADA

ACCORDING TO SENIORITY

SEPTEMBER 15, 1949

THE HONOURABLE ÉLIE BEAUREGARD, SPEAKER

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
THOMAS JEAN BOURQUE	Richibucto	Richibucto, 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.
WILLIAM H. MCGUIRE	East York	Toronto, Ont.
DONAT RAYMOND	De la Vallière	Montreal, Que.
GUSTAVE LACASSE	Essex	Tecumseh, Ont.
CAIRINE R. WILSON	Rockcliffe	Ottawa, Ont.
JOHN EWEN SINCLAIR, P.C.	Queen's	Emerald, P.E.I.
JAMES H. KING, P.C.	Kootenay, East	Victoria, B.C.
ARTHUR MARCOTTE	Ponteix	Ponteix, Sask.
CHARLES COLQUHOUN BALLANTYNE, P.C.	Alma	Montreal, Que.
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.
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.

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
EUGÈNE PAQUET, P.C.	Lauzon	Rimouski, 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	Provencher	St. Jean Baptiste, Man.
JOHN J. STEVENSON	Prince Albert	Prince Albert, Sask.
ARISTIDE BLAIS	St. Albert	Edmonton, Alta.
DONALD MACLENNAN	Margaree Forks	Port Hawkesbury, N.S.
CHARLES BENJAMIN HOWARD	Wellington	Sherbrooke, Que.
ELIE BEAUREGARD (Speaker)	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 RUPERT DAVIES	Kingston	Kingston, Ont.
JAMES PETER MCINTYRE	Mount Stewart	Mount Stewart, P.E.I.
GORDON PETER CAMPBELL	Toronto	Toronto, Ont.
WISHART MCL. ROBERTSON, P.C.	Shelburne	Bedford, N.S.
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.

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
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 Brunswick	Saint John, N.B.
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	Subdury, Ont.
PAUL HENRI BOUFFARD	Grandville	Quebec, Que.
JAMES GRAY TURGEON	Cariboo	Vancouver, B.C.
STANLEY STEWART MCKEEN	Vancouver	Vancouver, B.C.
THOMAS FARQUHAR	Algoma	Little Current, Ont.
JOSEPH WILLIE COMEAU	Clare	Comeauville, N.S.
GEORGE HENRY ROSS	Calgary	Calgary, Alta.
JAMES GORDON FOGO	Carleton	Ottawa, Ont.
JOHN CASWELL DAVIS	Winnipeg	St. Boniface, Man.
THOMAS H. WOOD	Regina	Regina, Sask.
JAMES ANGUS MACKINNON, P.C	Edmonton	Edmonton, Alta.
THOMAS VINCENT GRANT	Montague	Montague, P.E.I.
HENRY READ EMMERSON	Dorchester	Dorchester, N.B.
J. J. HAYES DOONE	Charlotte	Black's Harbour, N.B.
JOSEPH ADELARD GODBOUT	Montarville	Frelighsburg, Que.
WILLIAM ALEXANDER FRASER	Trenton	Trenton, Ont
WILLIAM HENRY GOLDING	Huron-Perth	Seaforth, Ont.
GEORGE H. BARBOUR	Prince	Charlottetown, P.E.I.
ALEXANDER BOYD BAIRD	St. John's	St. John's, Nfld.
RAY PETTEN	Bonavista	St. John's, Nfld.
GEORGE JOSEPH PENNY	South West Coast	Ramea, Nfld.
THOMAS REID	New Westminster	New Westminster, B.C.
ROBERT WILLIAM GLADSTONE	Wellington South	Guelph, Ont
J. WESLEY STAMBAUGH	Bruce	Bruce, Alta.

SENATORS OF CANADA

ALPHABETICAL LIST

SEPTEMBER 15, 1949

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.
BAIRD, ALEXANDER BOYD	St. John's	St. John's, Nfld.
BALLANTYNE, C. C., P.C.	Alma	Montreal, Que.
BARBOUR, GEORGE H.	Prince	Charlottetown, P.E.I.
BEAUBIEN, A. L.	Provencher	St. Jean Baptiste, Man.
BEAUREGARD, ELIE (Speaker)	Rougemont	Montreal, Que.
BISHOP, CHARLES L.	Ottawa	Ottawa, Ont.
BLAIS, ARISTIDE	St. Albert	Edmonton, Alta.
BOUCHARD, TELESPHORE 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.
COMEAU, JOSEPH WILLIE	Clare	Comeauville, N.S.
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.
DAVIS, JOHN CASWELL	Winnipeg	St. Boniface, Man.
DENNIS, W. H.	Halifax	Halifax, N.S.
DESSUREAULT, JEAN MARIE	Stadacona	Quebec, P.Q.
DOONE, J. J. HAYES	Charlotte	Black's Harbour, N.B.
DUFF, WILLIAM	Lunenburg	Lunenburg, N.S.
DUFFUS, J. J.	Peterborough West	Peterborough, Ont.
DUPUIS, VINCENT	Rigaud	Longueuil, P.Q.

45785—2½

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
DUTREMBLAY, PAMPHILE RÉAL	Repentigny	Montreal, Que.
EMMERSON, HENRY READ	Dorchester	Dorchester, N.B.
EULER, W. D., P.C.	Waterloo	Kitchener, Ont.
FAFARD, J. F.	De la Durantaye	L'Islet, Que.
FALLIS, IVA CAMPBELL	Peterborough	Peterborough, Ont.
FARQUHAR, THOMAS	Algoma	Little Current, Ont.
FARRIS, J. W. DE B.	Vancouver South	Vancouver, B.C.
FERLAND, CHARLES EDOUARD	Shawinigan	Joliette, P.Q.
FOGO, JAMES GORDON	Carleton	Ottawa, Ont.
FRASER, WILLIAM ALEXANDER	Trenton	Trenton, Ont.
GERSHAW, FRED WILLIAM	Medicine Hat	Medicine Hat, Alta.
GLADSTONE, ROBERT WILLIAM	Wellington South	Guelph, Ont.
GODBOUT, JOSEPH ADELARD	Montarville	Frelighsburg, Que.
GOLDING, WILLIAM HENRY	Huron-Perth	Seaforth, Ont.
GOUIN, L. M.	De Salaberry	Montreal, Que.
GRANT, THOMAS VINCENT	Montague	Montague, P.E.I.
HAIG, JOHN T.	Winnipeg	Winnipeg, Man.
HARDY, A. C., P.C.	Leeds	Brockville, Ont.
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.
JONES, GEORGE B., P.C.	Royal	Apohaqui, N.B.
KING, J. H., P.C.	Kootenay, East	Victoria, B.C.
KINLEY, JOHN JAMES	Queen's-Lunenburg	Lunenburg, N.S.
LACASSE, G.	Essex	Tecumseh, Ont.
LAMBERT, NORMAN P.	Ottawa	Ottawa, Ont.
LÉGER, ANTOINE J.	L'Acadie	Moncton, N.B.
LESAGE, J. A.	The Gulf	Quebec, Que.
MACKINNON, JAMES ANGUS, P.C.	Edmonton	Edmonton, Alta.
MACLENNAN, DONALD	Margaree Forks	Port Hawkesbury, N.S.
MARCOTTE, A.	Ponteix	Ponteix, Sask.

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
McDONALD, JOHN ALEXANDER	King's	Halifax, N.S.
McGUIRE, W. H.	East York	Toronto, Ont.
McINTYRE, 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.
MORAUD, L.	La Salle	Quebec, Que.
MULLINS, HENRY A.	Marquette	Winnipeg, Man.
NICOL, JACOB	Bedford	Sherbrooke, Que.
PAQUET, EUGÈNE, P.C.	Lauzon	Rimouski, Que.
PATERSON, N. McL.	Thunder Bay	Fort William, Ont.
PENNY, GEORGE JOSEPH	South West Coast	Ramea, Nfld.
PETTEN, RAY	Bonavista	St. John's, Nfld.
PIRIE, FREDERICK W.	Victoria-Carleton	Grand Falls, N.B.
QUINN, FELIX P.	Bedford-Halifax	Bedford, N.S.
RAYMOND, D.	De la Vallière	Montreal, Que.
REID, THOMAS	New Westminster	New Westminster, B.C.
ROBERTSON, W. McL., P.C.	Shelburne	Bedford, N.S.
ROEBUCK, ARTHUR WENTWORTH	Toronto-Trinity	Toronto, Ont.
ROSS, GEORGE HENRY	Calgary	Calgary, Alta.
SINCLAIR, J. E., P.C.	Queen's	Emerald, P.E.I.
STAMBAUGH, J. WESLEY	Bruce	Bruce, Alta.
STEVENSON, J. J.	Prince Albert	Prince Albert, Sask.
ST-PÈRE, E. C.	De Lanaudière	Montreal, Que.
TAYLOR, WILLIAM HORACE	Norfolk	Scotland, Ont.
TURGEON, JAMES GRAY	Cariboo	Vancouver, B.C.
VAILLANCOURT, CYRILLE	Kennebec	Levis, Que.
VENIOT, CLARENCE JOSEPH	Gloucester	Bathurst, N.B.
VIEN, THOMAS, P.C.	De Lorimier	Outremont, Que.
WILSON, CAIRINE R.	Rockcliffe	Ottawa, Ont.
WOOD, THOMAS H.	Regina	Regina, Sask.

SENATORS OF CANADA

BY PROVINCES

SEPTEMBER 15, 1949

ONTARIO—24

	SENATORS	POST OFFICE ADDRESS
	THE HONOURABLE	
1	ARTHUR C. HARDY, P.C.	Brockville.
2	SIR ALLEN BRISTOL AYLESWORTH, P.C., K.C.M.G.	Toronto.
3	WILLIAM H. MCGUIRE	Toronto.
4	GUSTAVE LACASSE	Tecumseh.
5	CAIRINE R. WILSON	Ottawa.
6	IVA CAMPBELL FALLIS	Peterborough.
7	NORMAN P. LAMBERT	Ottawa.
8	SALTER ADRIAN HAYDEN	Toronto.
9	NORMAN MCLEOD PATERSON	Fort William
10	JOSEPH JAMES DUFFUS	Peterborough.
11	WILLIAM DAUM EULER, P.C.	Kitchener.
12	WILLIAM RUPERT DAVIES	Kingston.
13	GORDON PETER CAMPBELL	Toronto.
14	WILLIAM HORACE TAYLOR	Scotland.
15	CHARLES L. BISHOP	Ottawa.
16	ARTHUR WENTWORTH ROEBUCK	Toronto.
17	JOSEPH RAOUL HURTUBISE	Sudbury.
18	THOMAS FARQUHAR	Little Current.
19	JAMES GORDON FOGO	Ottawa.
20	WILLIAM ALEXANDER FRASER	Trenton.
21	WILLIAM HENRY GOLDING	Seaforth.
22	ROBERT WILLIAM GLADSTONE	Guelph.
23		
24		

QUEBEC—24

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

NOVA SCOTIA—10

	SENATORS	POST OFFICE ADDRESS
	THE HONOURABLE	
1	WILLIAM H. DENNIS	Halifax.
2	FELIX P. QUINN	Bedford.
3	WILLIAM DUFF	Lunenburg.
4	DONALD MACLENNAN	Port Hawkesbury.
5	WISHART MCL. ROBERTSON, P.C.	Bedford.
6	JOHN JAMES KINLEY	Lunenburg.
7	JOHN ALEXANDER MCDONALD	Halifax.
8	JOSEPH WILLIE COMEAU	Comeauville.
9		
10		

NEW BRUNSWICK—10

	THE HONOURABLE	
1	THOMAS JEAN BOURQUE	Richibucto.
2	ARTHUR BLISS COPP, P.C.	Sackville.
3	GEORGE B. JONES, P.C.	Apohaqui.
4	ANTOINE J. LÉGER	Moncton.
5	CLARENCE JOSEPH VENIOT	Bathurst.
6	ALEXANDER NEIL MCLEAN	Saint John.
7	FREDERICK W. PIRIE	Grand Falls.
8	GEORGE PERCIVAL BURCHILL	South Nelson.
9	HENRY READ EMMERSON	Dorchester.
10	J. J. HAYES DOONE	Black's Harbour.

PRINCE EDWARD ISLAND—4

	THE HONOURABLE	
1	JOHN EWEN SINCLAIR, P.C.	Emerald.
2	JAMES PETER MCINTYRE	Mount Stewart.
3	THOMAS VINCENT GRANT	Montague.
4	GEROGE H. BARBOUR	Charlottetown.

BRITISH COLUMBIA—6

SENATORS	POST OFFICE ADDRESS
THE HONOURABLE	
1 JAMES H. KING, P.C.	Victoria.
2 JOHN W. DE B. FARRIS	Vancouver.
3 JAMES GRAY TURGEON	Vancouver.
4 STANLEY STEWART MCKEEN	Vancouver.
5 THOMAS REID	New Westminster.
6	

MANITOBA—6

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

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	Prince Albert.
6 THOMAS H. WOOD	Regina.

ALBERTA—6

THE HONOURABLE	
1 WILLIAM ASHBURY BUCHANAN	Lethbridge.
2 ARISTIDE BLAIS	Edmonton.
3 FRED WILLIAM GERSHAW	Medicine Hat.
4 GEORGE HENRY ROSS	Calgary.
5 JAMES ANGUS MACKINNON, P.C	Edmonton.
6 J. WESLEY STAMBAUGH	Bruce.

NEWFOUNDLAND—6

	SENATORS	POST OFFICE ADDRESS
	THE HONOURABLE	
1	ALEXANDER BOYD BAIRD	St. John's.
2	RAY PETTEN	St. John's.
3	GEORGE JOSEPH PENNY	Ramea.
4	.....	.....
5	.....	.....
6	.....	.....

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., LL.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

Thursday, September 15, 1949.

The Twenty-First Parliament of Canada having been summoned by Proclamation of the Governor General to meet this day in its First Session for the dispatch of business.

The Senate met at 10.30 a.m.

THE SPEAKER OF THE SENATE

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

The said Commission was then read by the Clerk.

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

Prayers.

OPENING OF THE SESSION

The Honourable the Speaker informed the Senate that he had received a communication from the Assistant Secretary to the Governor General informing him that the Honourable Patrick Kerwin, a Judge of the Supreme Court of Canada, in his capacity of Deputy Governor General, would proceed to the Senate Chamber to open the First Session of the Twenty-First Parliament of Canada on Thursday, the 15th day of September, at 12 o'clock noon.

NEW SENATORS INTRODUCED

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

Hon. James Angus MacKinnon, P.C., of Edmonton, Alberta, introduced by Hon. Wishart McL. Robertson and Hon. W. A. Buchanan.

Hon. Thomas Vincent Grant, of Montague, Prince Edward Island, by Hon. Wishart McL. Robertson and Hon. James P. McIntyre.

Hon. Henry Read Emmerson, of Dorchester, New Brunswick, introduced by Hon. Wishart McL. Robertson and Hon. A. B. Copp.

Hon. J. J. Hayes Doone, of Black's Harbour, New Brunswick, introduced by Hon. Wishart McL. Robertson and Hon. A. B. Copp.

Hon. Joseph Adelard Godbout, of Frelighsburg, Quebec, introduced by Hon. Wishart McL. Robertson and Hon. Armand Daigle.

Hon. William Henry Golding, of Seaforth, Ontario, introduced by Hon. Wishart McL. Robertson and Hon. William H. Taylor.

Hon. George H. Barbour, of Charlottetown, Prince Edward Island, introduced by Hon. Wishart McL. Robertson and Hon. J. E. Sinclair.

Hon. Alexander Boyd Baird, of St. John's, Newfoundland, introduced by Hon. Wishart McL. Robertson and Hon. C. B. Howard.

Hon. Ray Petten, of St. John's, Newfoundland, introduced by Hon. Wishart McL. Robertson and Hon. J. Gordon Fogo.

Hon. George Joseph Penny, of Ramea, Newfoundland, introduced by Hon. Wishart McL. Robertson and Hon. William Duff.

Hon. Thomas Reid, of New Westminster, British Columbia, introduced by Hon. Wishart McL. Robertson and Hon. J. H. King.

Hon. Robert William Gladstone, of Guelph, Ontario, introduced by Hon. Wishart McL. Robertson and Hon. W. D. Euler.

Hon. J. Wesley Stambaugh, of Bruce, Alberta, introduced by Hon. Wishart McL. Robertson and Hon. W. A. Buchanan.

THE SPEAKER OF THE SENATE

FELICITATIONS ON HIS APPOINTMENT

Hon. Wishart McL. Robertson: I welcome this opportunity to extend to you, Mr. Speaker, the heartiest congratulations of your colleagues on this side of the house on your appointment to the eminent and honourable position of Speaker of the Senate.

You, sir, bring to this high office great qualities of heart and mind. You have long held a prominent position in the business and professional life of your native province. For ten years you have been a member of the Senate, and since 1945 have presided over the deliberations of the Standing Committee on Banking and Commerce. I do not need

to remind the house that during the period in which you acted as chairman of that committee there was before it a large volume of legislation, much of it involved and some of it highly controversial. In each case the deliberations were carried on in a spirit and manner in keeping with the best traditions of the Senate of Canada; the consideration was thorough and the conclusion arrived at was sound. This was due in no small measure to your skill, patience and unfailing courtesy. There is, I believe, complete confidence on the part of all that these qualities which you possess to such a remarkable degree will serve you well in the discharge of the responsibilities of the high office to which you have attained.

May I add a personal word? Your term of office as chairman of the Banking and Commerce Committee approximates mine as government leader in the Senate. You know, sir, how often I have been compelled to lean on you for counsel and advice, which was at all times willingly and cheerfully given. I thank you for it, and wish you well.

As Speaker of the Senate, you are following a long line of distinguished public men, not the least of whom is the honourable senator from Kootenay East (Hon. Mr. King) who has just preceded you. We believe, Mr. Speaker, that you also will bring additional honour to this high office, and I assure you that in the discharge of your duties you will have the loyal support and fullest co-operation of your colleagues.

(*Translation*):

Hon. Lucien Moraud: Mr. Speaker, in the absence of the leader of the opposition, I have the perilous honour and, at the same time, the most enjoyable duty, of agreeing with what the leader of the government has just now so aptly said of you.

Before becoming a member of this house you were already a credit to the profession to which we both belong you were also a credit to your province; and since your appointment to the Senate, the dignity and broadness of mind with which you have presided over the Standing Committee on Banking and Commerce have been a subject of pride to all of use.

May I repeat that I did not expect to second the motion of the leader of the government. I must apologize for doing it in such an unsatisfactory manner. Nevertheless, it gives me great pleasure to tell you that you are the ideal successor of one who, before you, presided over this house with so much dignity. You also, I am sure, will discharge the duties of your office with much ability and prestige.

Hon. J. H. King: Honourable senators, as the retiring Speaker, may I concur in the remarks of the two leaders, and extend to my successor, the Honourable the Speaker, my best wishes and hopes for his pleasure and enjoyment in the high and distinguished office which he now holds.

Hon. Paul-Henri Bouffard: Mr. Speaker, I take pleasure in offering you, on behalf of my colleagues of this house, my most sincere congratulations.

Senator Beauregard has been known to me for many years indeed. I knew him as a lawyer, and I am aware of the services which he has for so long rendered the Liberal party. I knew him also as chairman of the standing committee on banking and commerce; in all spheres, he has been an example for all his fellow-lawyers as well as for all those who took part in the debates of this house.

It is not only an honour but also a well-deserved reward for us, French-Canadians, to have a member of our race as Speaker of the Senate. I wish to congratulate Senator Beauregard again, and to repeat, at the very opening of this new Parliament, that he has always set in every sphere an example which we, who have had the privilege of knowing him and the good fortune of associating with him, have endeavoured to follow.

I congratulate him for the prestige which his appointment will bring us as I feel certain that, as Speaker of the Senate, he will remain a model to us.

(*Text*):

The Hon. the Speaker: Honourable members, as you may understand, I am too deeply moved to acknowledge as I should the remarks that have been made by the leader of the government (Hon. Mr. Robertson) and by the acting leader of the opposition (Hon. Mr. Moraud) and the greetings of other honourable senators. All I can say to my colleagues at this time, and I say it from the bottom of my heart, is "Thank you".

(*Translation*):

Honourable senators, I do not wish to miss this opportunity of acknowledging briefly the flattering remarks which you were kind enough to make about my career up to this time.

I wish to thank particularly my colleagues of the Bar for their gracious attention in recalling our professional relations.

I feel very grateful to His Excellency for my promotion as Speaker of the Senate, in which capacity I shall always strive to follow the tradition and example of my distinguished predecessors. I thank you.

(*Text*):

The Senate adjourned during pleasure.

OPENING OF THE SESSION

The Honourable Patrick Kerwin, a Judge of the Supreme Court of Canada, Deputy Governor General, having come and being seated,

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

Who being come,

The Hon. the Speaker said:

Honourable Members of the Senate:

Members of the House of Commons:

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

The House of Commons withdrew.

The Honourable the Deputy Governor General was pleased to retire.

The sitting of the Senate was resumed.

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 First Session of the Twenty-First Parliament of Canada.

The Senate adjourned until 2.30 p.m., this day.

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 First Session of the Twenty-First Parliament of Canada with the following speech:

Honourable Members of the Senate:

Members of the House of Commons:

There has been deep satisfaction in all parts of the country that the steady improvement in the health of the King has enabled His Majesty to resume most of his customary activities.

The opening of the twenty-first parliament is marked by the presence for the first time of the representatives of the new province of Newfoundland. It is a pleasure for me to welcome their participation in the national affairs of a greater Canada.

With the admission of the new province of Newfoundland the Canadian nation attained the geographical limits planned by the Fathers of Confederation. You will be asked at the present session to approve measures designed to facilitate the attainment of the constitutional limits of our nationhood. To this end, a bill will be introduced to amend the Supreme Court Act so that the Supreme Court of Canada will become the final court of appeal for Canada.

You will also be asked to approve addresses praying the Parliament of the United Kingdom to vest in the Parliament of Canada the right to amend the constitution of Canada in relation to matters not coming within the jurisdiction of the legislatures of the provinces nor affecting the constitutional rights and privileges of the provinces or existing rights and privileges with respect to education or the use of the English and French languages.

My ministers will seek to arrange for early consultation with the provincial governments with a view to agreeing upon an appropriate procedure for making within Canada such other amendments to the constitution as may from time to time be required.

The hopes held four years ago for world peace and security under the aegis of the United Nations have not yet been realized. The menace of Communist totalitarianism continues to threaten the aspirations of men of good will. It is, however, gratifying that the North Atlantic Treaty has been brought into effect and is already proving its worth in lessening the risks of armed aggression.

The defence needs of Canada, both as a separate nation and as a signatory of this Treaty are being kept constantly under review. Good progress has been made in the co-ordination and unification of our armed forces and conditions of service are being improved. Special attention is being given to research and development intended to provide the forces with the most modern equipment suitable for present requirements.

A measure will be introduced to consolidate the legislation respecting the defence forces and the Department of National Defence.

It is the view of my ministers that the economic health and stability of the nations of the North Atlantic community must be the real foundation of their ability to resist and, therefore, to deter aggression.

Although the nations of Western Europe have made substantial progress towards recovery from the ravages of war, they have not yet been able to restore completely their economic strength. Their shortage of dollars continues, and international trade remains in a state of unbalance. The government is seeking by all appropriate means to co-operate in measures to restore economic equilibrium. The achievement of a pattern of world trade in which the trading nations can operate together within one single multilateral system continues to be the ultimate aim of my government.

Since parliament last met the International Wheat Agreement has come into operation. The agreement together with the other arrangements made to dispose of our surplus agricultural products will provide additional economic security for many of our farmers.

At home we continue to enjoy prosperity. Agricultural production generally continues to be high. Private capital investment and employment have remained at high levels. Relations between employers and employees have, with few exceptions, been satisfactory.

As a result of legislation passed at the last session of Parliament, new agreements with respect to old age pensions have been completed with nine of the provinces, and increased pensions have now been made available to the aged and the blind in those provinces. The completion of a similar agreement with the Province of Newfoundland awaits the enactment of the required provincial legislation.

The continued co-operation of the provinces in the implementation of the national health programme has resulted in further progress being made towards the desired objective of improved health facilities and services for the people in all parts of Canada.

While more housing units are being built this year than ever before, the demand for housing continues. Following discussions with the governments of the provinces your approval will be sought for legislation to broaden the scope of the National Housing Act.

A bill to provide for the continuance of functions now vested in the Department of Reconstruction and Supply, including the ministerial responsibility for the Central Mortgage and Housing Corporation, will be placed before you for your approval.

You will also be asked to approve a measure to enable the government to assist in the provision of a transcontinental highway.

The government has concluded new air agreements with the United Kingdom and the United States. The agreements provide new routes for our international air services to the United States and to the Orient, and additional traffic stops in United States and United Kingdom territory for our present international services on the North Atlantic, to the Caribbean and to the South Pacific.

Measures demanding your consideration will include a Bill respecting a National Trade Mark and True Labelling; a Bill respecting Forest Conservation; a Bill to incorporate the Canadian Overseas Telecommunication Corporation; a Bill respecting assistance to the shipbuilding industry and merchant shipping; a Bill to extend the life of the Export and Import Permits Act; and bills to amend the Exchequer Court Act, the Industrial Development Bank Act, the Emergency Gold Mining Assistance Act, the Prairie Farm Assistance Act, the Customs Act, and the Veterans' Land Act of 1942.

Members of the House of Commons:

You will be asked to make provision for the public service for the current fiscal year. The budget resolutions introduced at the Last Session of Parliament will be submitted for your approval and the enactment of the appropriate legislation.

Honourable Members of the Senate:

Members of the House of Commons:

I pray that Divine Providence may bless your deliberations.

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

Hon. Mr. Copp (for Hon. Mr. Robertson) presented Bill A, an Act relating to railways.

The bill was read the first time.

SPEECH FROM THE THRONE

MOTION FOR CONSIDERATION

On motion of Hon. Mr. Copp (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

MOTION

Hon. Mr. Copp (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.

The Senate adjourned until Tuesday, September 20, at 3 p.m.

THE SENATE

Tuesday, September 20, 1949

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

Prayers and routine proceedings.

EXCHEQUER COURT BILL

FIRST READING

Hon. Wishart McL. Robertson presented Bill B, an Act to amend the Exchequer Court Act.

DEPARTMENT OF JUSTICE BILL

FIRST READING

Hon. Mr. Robertson presented Bill C, an Act to amend the Department of Justice Act.

The bill was read the first time.

COMMITTEE OF SELECTION

MOTION OF APPOINTMENT

Hon. Wishart McL. Robertson moved:

That pursuant to Rule 77 the following senators, to wit: The Honourable Senators Aseltine, Ballantyne, Buchanan, Copp, Haig, Howard, Moraud, Sinclair, 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.

He said: I would ask the indulgence of the house in order that this motion may receive unanimous consent and be passed today. If this is done, the Committee of Selection can meet tomorrow morning, and it is hoped that its report will be available tomorrow afternoon. It could then stand till Thursday, when, if the house approves, organization meetings could be held in the afternoon. By way of explanation I should say that I shall be unavoidably absent next week, and I am anxious that the committees be established before we adjourn at the end of this week.

The motion was agreed to.

DOCUMENTS TABLED

Hon. Wishart McL. Robertson: Honourable senators, I beg to lay on the table certain documents, with a list of the same which will appear in the Minutes and Proceedings of the Senate tomorrow. I realize, of course, that honourable senators will wish to see the contents, but as there are some thirty-four or thirty-five items, perhaps they will excuse me if I refrain from reading them in detail and place the list on record.

The list of documents tabled is as follows:

1. Annual return of permits issued during the period January 1, 1949, to August 31, 1949, as required by Section 4 of the Immigration Act.

2. Regulations made by the Governor in Council under Part I of the Indian Act as provided by Section 161 of the Indian Act, Chapter 98, R.S. 1927.

3. List of all sales or leases of Indian lands cancelled during the period January 1, 1949, to August 31, 1949, as required by Section 64 of the Indian Act.

4. Regulations made by the Governor in Council, together with every order similarly made, authorizing the sale of any land or the granting of any interest therein, as required by Section 75 of the Dominion Lands Act, Chapter 113, R.S. 1927.

5. Copies of regulations established by Orders in Council passed between the 27th day of January, 1949 and the 15th day of September, 1949, under the provisions of the Migratory Birds Convention Act, Chapter 16, S.C. 1932-33.

6. Copies of Ordinances passed under the provisions of Section 13 of the Northwest Territories Act, Chapter 142, R.S. 1927, during the period 17th February, 1949, to 29th June, 1949.

7. Statement of adjustments respecting seed grain and relief indebtedness under an Act respecting Certain Debts Due the Crown, Section 2, Chapter 51, S.C. 1926-27.

8. Copy of The Annual Report of the Eastern Rockies Forest Conservation Board for the fiscal year 1948-49.

9. Copy of the Annual Report of the Northwest Territories Power Commission for the fiscal year 1948-49.

10. Regulations made under The Department of Veterans Affairs Act by Order in Council P.C. 2182 of the 6th July, 1949.

11. Regulations made under The Veterans' Land Act, 1942, by Orders in Council P.C. 3729 of the 10th August, 1949, and P.C. 4203 of the 24th August, 1949.

12. Statement for the fiscal year 1948-49, required by Section 38 of the Veterans' Land Act, 1942.

13. Statement for the fiscal year 1948-49, required by Section 18 of The Veterans Insurance Act.

14. Statement for the fiscal year 1948-49, required by Section 19 of the Returned Soldiers Insurance Act.

15. Regulations made by the Army Benevolent Fund Board, required by Section 12 of The Army Benevolent Fund Act, 1947.

16. Annual Report for the fiscal year 1948-49, required by Section 13 of The Army Benevolent Fund Act.

17. Orders and Regulations for the Royal Canadian Navy, published in the Canada Gazette during the period 11th of April, 1949, to 10th September, 1949, inclusive, under Section 40 of the Naval Service Act.

18. Orders and Regulations for the Canadian Army, published in the Canada Gazette during the period 11th April, 1949, to 10th September, 1949, inclusive, under Section 141 of the Militia Act.

19. Orders and Regulations for the Royal Canadian Air Force, published in the Canada Gazette during the period 11th April, 1949, to 10th September, 1949, inclusive, under Section 16, Sub-section 2 of the Royal Canadian Air Force Act.

20. One copy of the Report of the Secretary of State of Canada, for the year ended March 31, 1948, as required by Section 8 of The Department of State Act.

21. Copy of Order in Council P.C. 4639, dated 13th September, 1949, proclaiming that the Conciliation and Labour Act and the Industrial Relations and Disputes Investigation Act shall come into force in the Province of Newfoundland on the 19th day of September, 1949.

22. Report of the Director of Training for the fiscal year ended March 31, 1949, as required by Section 11 of The Vocational Training Co-ordination Act, 1942.

23. Eighth Annual Report of the Unemployment Insurance Commission for the fiscal year ended March 31, 1949.

24. Copies of Regulations made and approved under the Unemployment Insurance Act, 1940, for the period December 17, 1948, to September 8, 1949, being Orders in Council P.C. 1964 dated April 26, 1949 and P.C. 3291, dated July 6, 1949, which amend the Unemployment Insurance Commission Regulations, 1948, approved by Order in Council P.C. 4060 dated September 15, 1948.

25. Copy of Order in Council P.C. 3509 of July 13, 1949, which amends the Government Annuities Regulations, 1947, made and established by Order in Council P.C. 5394 of December 31, 1947, as amended.

26. Report of the Unemployment Advisory Committee for the fiscal year ended March 31, 1949.

27. Report of Agreements under the Agricultural Products Co-operative Marketing Act for the year ended March 31, 1949. (English and French.)

28. Orders and Regulations passed under authority of the Destructive Insect and Pest Act for the year ended March 31, 1949. (English and French.)

29. Annual Report of the Agricultural Prices Support Board for the year 1948-49.

30. Annual Report of the Family Allowances Division of the Department of National Health and Welfare for the fiscal year ended March 31, 1949. (English and French.)

31. Statement of Receipts and Expenditures under Part Five of the Canada Shipping Act (Sick Mariners) for the fiscal year ended March 31, 1949. (English and French.)

32. Annual Report of the Physical Fitness Division of the Department of National Health and Welfare for the fiscal year ended March 31, 1949. (English and French.)

33. Report of the Administration of Old Age Pensions and Pensions for the Blind in Canada for the fiscal year ended March 31, 1949.

34. Orders in Council dealing with the Administration of the National Health Grants Program. (English and French.)

35. Estimates for the fiscal year ending March 31, 1950.

THE LATE SENATORS MURDOCK AND MACKENZIE

TRIBUTES TO THEIR MEMORY

Hon. Wishart McL. Robertson: Honourable senators, I regret to have to say that it is my responsibility officially to bring to your notice the fact that since we last met we have lost two of our most prominent and esteemed colleagues.

The late Senator Murdock was born on August 15, 1871 at Brighton, England, the son of James Murdock and Annie Campbell, his wife, both of Scottish descent, and with them came to Canada in 1876.

After attending public school at Tilbury East, Ontario, he entered the service of the Canadian Pacific Railway, being employed as a trainman from 1890 to 1905. Early in his career with the railway Senator Murdock became interested in labour matters. His interest and ability were soon recognized, and in 1905 he was elected Vice-President of the Brotherhood of Railway Trainmen, an office in which he served until 1921.

Senator Murdock's first political activity came during the general election of 1921, and upon the formation of the King Government in that year he was appointed Minister of Labour, whereupon he resigned the Vice-Presidency of the Brotherhood of Railway Trainmen. He was elected to the House of Commons by acclamation in Kent County, Ontario, on January 22, 1922. In 1925 Senator Murdock resigned from the King Cabinet and returned to his post as Vice-President of the Brotherhood of Railway Trainmen, an office which he continued to hold until 1933. On March 20, 1930, he was summoned to this chamber.

In addition to Senator Murdock's other service in the public life of this country and his association with organized labour, from September 29, 1919 to June 24, 1920, he was a commissioner on the Board of Commerce and, as Minister of Labour, he acted as Canadian Government delegate to the International Labour Conference at Geneva from October 18 to November 3, 1922.

Senator Murdock is survived by his widow, the former Annette Follis of Toronto, whom he married in 1903, and by one son, R. H. Murdock of Windsor, Ontario, and one daughter, Mrs. DaCosta.

I think it is fair to say that perhaps the outstanding characteristic of the late Senator Murdock was his passionate advocacy of the cause of all whom he deemed to be underprivileged, or the less fortunate. Invariably those in need found in him a stout champion; he reacted instantly to what to him seemed to be an injustice.

He was a tireless worker and constant attendant in the committees of this house. He was always alert to the rights of minorities, and those groups were assured of a constant and able champion when he was present. The official reports of the Debates of the Senate bear witness to his active participation and interest in all matters which came before the Senate for consideration.

The Right Honourable Senator Ian Mackenzie, Vancouver Centre, died September 2, 1949. Senator Mackenzie was born at Assynt, Scotland, on July 27, 1890. He was the son of George Mackenzie and his wife, Anne Macrae, both Scottish. Born in poor circumstances, Senator Mackenzie, by his great ability and high endeavour, educated himself and became one of the most notable scholars of his day. Throughout his scholastic career, he won many gold medals and scholarships. Upon graduating with highest distinction from Edinburgh University in 1910, he won a Carnegie scholarship under which he did valuable work on old Irish manuscripts. Two years later he came to Vancouver as a young lawyer.

In 1915 he joined Vancouver's famed 72nd Seaforth Highlanders, with whom he served with distinction overseas. Immediately on his return from overseas he became interested in

the affairs of veterans, and in 1920 was elected president of the Vancouver Command of Great War Veterans. In the same year he was elected to the provincial house as member for Vancouver. He was re-elected to that house in 1924 and again in 1928, and in the latter year was named provincial secretary.

It was in 1930 that Senator Mackenzie began his eighteen years as the representative of Vancouver in the House of Commons. He resigned from the British Columbia legislature to accept an appointment as Minister of Immigration in Mackenzie King's government, and was elected in the general elections of 1930. On October 23, 1935, he was sworn in as Minister of National Defence in the new Mackenzie King government, and in 1939 he was appointed Minister of Pensions and National Health, a portfolio which he held until 1944, when he was appointed Minister of Veterans Affairs. This position was one to which he was well suited by reason of his many years of keen interest and participation in the cause of veterans. He was created a member of the Imperial Privy Council in 1947, and was appointed to this house on January 19, 1948.

In 1948 Senator Mackenzie returned to his native Scotland to receive an honorary degree from Edinburgh University. It was fitting that he should be honoured by a university to which he had brought great credit, and in the land of his birth, which for him had such a fond attraction.

The passing of Ian Mackenzie removes from this house and the public life of Canada a colourful and interesting figure. He was great in mind, heart, and statute, loyal and warm in his friendships; passionate and fluent of speech. His personality impressed all with whom he came in contact. He typified the land of his birth and was intensely attached to it, yet he enthusiastically embraced and became a part of the land of his adoption.

As I pay my respects there come to my memory stories of his boyhood, of his trudging along lonely roads in the Highlands in the pursuit of an education, a quest that in due course was to be rewarded with the highest academic honours.

I first saw him twenty years ago. He was presiding, as Chieftain, at a Scottish banquet, with the honourable senator from Lunenburg (Hon. Mr. Duff) opposite him as his gillie. He was proposing the toast to Scotland, standing on a chair and table, his eyes flashing, his speech flowing like a torrent, his arm upraised, his hand holding the glass. Then came the climax: there was a dramatic pause, and the glass was thrown to the floor, as was the custom in bygone years in his native land.

In the House of Commons he enjoyed a long and distinguished career. Vigorous in debate, he asked no quarter and gave none; yet friend and foe were curiously attached to him. His warm heart and his generous nature endeared him to all, and he will be sorely missed in the Halls of Parliament, where for so long he was such a familiar figure.

Hon. John T. Haig: Honourable members, I have listened with very great interest to the tributes just paid by the honourable leader of the government. I speak first of Senator Murdock, whom I cannot help referring to as Jim Murdock. That is the name by which he was known all over Canada and in railroad circles throughout the United States. When I had the pleasure of meeting him for the first time as a member of this house I did not form a very high opinion of him, but later through the years he did me the great honour of inviting me to his home, and ever afterwards I liked Jim Murdock. He could say anything he wished, he could do anything he wished, but I still liked him.

He represented the under-dog, or at least he thought he did, and he could put the views of the under-dog before us in no uncertain terms. That touch in his speeches was good for all of us. We shall miss him, and the house will be poorer by reason of his passing. We none of us have a permanent lease on life, and his time to leave us had come. We honour his name.

It seems to me that if you want to know something about a married man you should find out what kind of a wife he has. Jim Murdock had a wonderful woman as a life companion, and to her especially, on my own behalf and on behalf of those associated with me, I wish to convey our deepest sympathy. To his daughter and his grandson I want to pass on some idea of the respect that we in this house learned to have for Jim Murdock. I did not have the pleasure of knowing his son, but on behalf of my party here I wish to say to all that we will miss Jim Murdock in the years to come.

Honourable senators, now may I say a few words about the late senator from Vancouver Centre (Right Hon. Mr. Mackenzie)? Ian Mackenzie was a magnificent representative of the Highland Scots. He had that intense fervour that we so often find among the Highland people. They are as different from the Lowland Scots as the Irish are from the English. One would never guess they came from the same country. The late senator had all the eloquence and mysticism of his people, and he was able to convey his feelings to an audience.

Senator Mackenzie was with us in this chamber only a short time. He came here

from the other place where he was a very prominent and important figure. I can quite understand his feeling of restraint in this house when we did not want to move too fast. I sympathized with him particularly because I remembered that when I came from the Manitoba Legislature, where I at least thought I was a fighting unit, and tried to put on a fight here, nobody listened to me. I think my friend Ian Mackenzie had the same experience. He was trying to break out of bounds and get things going.

The widow of the late senator is a young woman from my home city, whose great ability was highly regarded by the company with whom she was employed before she married. I assure her we will long remember her late lamented husband, and we wish her happiness in the future years.

Hon. J. W. deB. Farris: Honourable senators, I endorse all that has been said by the two leaders in this house and I wish to add a special word in tribute to my very old friend Ian Mackenzie.

After thirteen years in this house it seems to me more inevitable each year that as we come back and have the pleasure of renewing our acquaintances and meeting old friends, the occasion is saddened by the loss of some who are no longer here. I have in mind particularly two senators from Vancouver who were the most outstanding and dynamic men we have had from any part of Canada. One was Irish, the other Scotch. Honourable senators all know to whom I refer—Gerry McGeer and Ian Mackenzie. We, in our short wisdom, would think both these men died too soon. They died in the prime and full bloom of their manhood. They were both spectacular, and could always make the headlines; but they also had an earnest zeal and desire to give public service.

I knew the late Ian Mackenzie very intimately for thirty-five years. It is that long since he came to Canada from Scotland, a young man freshly graduated from Edinburgh University with about as high honours and as fine a scholastic record as anyone from that great institution. Hardly had he settled in Vancouver where he intended to practice law, when the First Great War broke out and he enlisted in the Seaforth Highlanders. Whether in peace or war Ian Mackenzie was always at home where there was a fight; his record at the front was characteristic; on more than one occasion he was mentioned in dispatches.

At the conclusion of hostilities my late colleague returned to Vancouver and again undertook the difficult task of establishing a law practice in that new city. Then came the provincial election of 1920. At that time I was Attorney-General of British Columbia, and we in the government had our eye on Ian Mackenzie. With the permission of the house I will quote from a speech he made three years ago at a big dinner we gave him in Vancouver. He said:

> "Against my will and after three days argument with him I was dragooned into being a candidate by such a forceful and plausbile advocate as my good friend Wallace Farris, now Senator Farris.

I think I did dragoon him into being a candidate, but he has never held it against me. Certainly the people of Canada, and more particularly those of British Columbia, have good reason to be grateful that the late senator was induced at that time to come into public life.

Ian Mackenzie was elected, and it is remarkable to note that for twenty-seven years he represented Vancouver and was never defeated. I can speak rather feelingly in that respect, because I ran in six elections there and got elected three times.

In 1930 my late friend was invited by Mr. Mackenzie King to join his government, and he became a minister for a short time. That government was defeated, but Senator Mackenzie defeated that redoubtable fighter Harry Stevens. He came back to Ottawa, and for five years was a member of a small group which led a fight against his personal friend Mr. R. B. Bennett. He was one of the stalwart leaders in the opposition during that period.

When the King government was returned to power Ian Mackenzie was made Minister of National Defence. I speak now of things that happened when I first came to the Senate. At that time Ian would come over to my room and talk about his troubles in the other place. He wanted the government to vote $200 million for national defence purposes; in this he failed, but he did succeed in getting the appropriation increased from $35 million to $60 million. Perhaps it can be told now that Ian Mackenzie at that time considered resigning from the government. I think he was right in taking the larger view of the problem and remaining. It would have been better if we had spent more money on defence at that time, but a government in matters of this kind can go only as far as public sentiment will permit it to go.

After the Second World War broke out Ian Mackenzie was made Minister for Pensions and National Health. That department was soon merged with the department in which he really belonged, that of Veterans Affairs. There he enjoyed his greatest success in administration. I know that the watchword he gave to all associated with him was: "When in doubt lean backwards in favour of the veterans". There is in Canada a composite group of statutes known as the "Veterans Charter", of which competent authority has

said that it was the world's greatest legislation achievement for the benefit of the ex-service man. Ian Mackenzie did not create that charter, but his enthusiasm and energy and the inspiration of his leadership contributed much to it.

Hospitals were one of his greatest interests. Only within the last week I read that in the opinion of the British Empire Service League delegation, Sunnybrook Hospital at Toronto, to which he gave a great deal of attention, is the finest hospital for veterans in the Empire.

I would like to supplement what my leader has said regarding the idealism of the late Senator Mackenzie. He had the characteristics of the Highland Scot. He was a great scholar. He was a master of the English language, although we did not realize that sometimes, or in moments of excitement his Scottish intonation was so pronounced that one had to make an effort to follow him. He had a great capacity—I know many will vouch for this—for friendship and for personal loyalty. He was impulsive and aggressive, but he never held a grudge, and to my knowledge he never said a mean thing about an opponent. He had the Scottish characteristic of being a great lover of freedom. If honourable senators have not read it, I commend to their attention the speech he made in May of 1947 in the House of Commons on "Human Rights and Fundamental Freedoms". It was an inspiring speech, eloquently delivered, and it contains a great deal that is worthy of our remembrance.

Lastly, he had a deep love of country. I have read a bound selection of his speeches, and I should like to end my remarks about him with a quotation from one of his addresses, made at a St. Andrew's Society dinner. After having discussed the bonds which unite us, he said this:

> Such then is our common bond, native born and Scottish born. We are members of the same nation, the same Empire; we have the same background of history, the same love of liberty, regard for authority, and belief in justice. I love the glens of Scotland where my fathers sleep. I love the heather in all its purple glory. I love the corries and the glens and lochs of the old homeland; every hill with its heroic tradition, every stream with its story, every valley with its song.
>
> My home is in Canada, my duties and responsibilities are in Canada. "I was a stranger, and ye took me in."
>
> My blood brothers sleep in Canadian soil, one in the plains of the great northwest, the other in a soldier's plot in British Columbia. I love this great generous Dominion of Canada, with its decent and its dauntless people. Here I shall be proud to live; here, when the call comes, would I die, for, great as Scotland is to me and to you—
>
> There is no land like our land,
> God keep it ever so,
> And heart throbs shall be drum beats
> When we find our Country's foe.
> Oh this may love the Southland,
> And that may cross the Sea,
> But this land is our Land, and Canada for me.

Honourable senators, Canada is the poorer for the loss of Ian Mackenzie.

Hon. J. G. Turgeon: Honourable senators, as a Canadian and a member of parliament I ask the privilege of saying a few words of sympathy to the relatives both of Senator Murdock and Senator Mackenzie; and coming from British Columbia as I do, I would address a particular word of condolence to the widow and other relatives of Ian Mackenzie, the senator from that province who has just passed away. As has already been pointed out, he not only rendered excellent parliamentary service in the provincial and federal fields, but he did a magnificent work for veterans of the first and the second world wars, and for the relatives of those Canadian soldiers who did not return. I am sure that his widow will accept this tribute to him in recognition of what he did for the widows and relatives of other Canadian veterans.

Hon. Arthur W. Roebuck: Honourable senators, because of my long association with Senator Murdock, and the admiration which I have always felt for him, I would like to say a word of tribute to his memory and of sympathy to his relatives.

I first met Senator Murdock as long as thirty years ago, when he was a member of the Board of Commerce and I was counsel for the Government of Ontario in the prosecution of the alleged wholesale grocers' combine. It was during those long and very intense proceedings that I came to admire this senator whose loss we now mourn. He was, above all things, amazingly vigorous. He had a tremendous flow of oratory. As our leader has said, he was invariably on the side of the under dog; he always responded readily to appeals to justice, decency and humanity. It was because of his association with organized labour that I was drawn to him.

In the years that have intervened we have had some common interests, and in many respects a common outlook which led to rather close associations. In 1945, when I became a member of this house, I was placed, naturally and rightly, on the Committee on Immigration and Labour. As honourable senators will recollect, that committee, of which the late senator was chairman, undertook very important work in connection with immigration problems affecting Canada. I had the advantage and the pleasure of working closely with him in the course of those proceedings, and there I formed a still greater attachment to, and a stronger liking for, Senator Murdock. To repeat a phrase which has already been used, the house is poorer for his absence. I feel that I personally am poorer for his absence. I was sorry when he relinquished the chairmanship of our committee, and I think I

express the opinion of all its members when I say that we shall sorely miss his presence in our sessions in the years to come.

May I join with the leader and others in conveying my deepest sympathy to his relatives, and the hope that they will glory in his past rather than grieve at his departure. This house is the poorer for the loss of Senator Murdock.

Hon. S. S. McKeen: Honourable senators, although I did not know the late Senator Mackenzie for as long a period as has the senior senator from my province (Hon. Mr. Farris), I knew him very well for the last fifteen years, and it is my desire to add a word to express my feeling of loss in his passing.

You have heard his public record and, while there are those who are aware of some of the fine things he did, no one will ever know all the good he did for his fellow men, but we shall all feel poorer for having lost him.

Our sympathy goes out to his widow. She and the late senator had only been married a short time; but their association was very close, and she did much to make his life comfortable during that period.

All Canada, not just British Columbia, has lost a man who has left his touch on the public life of this country. His first love in public life was the House of Commons, and no honourable member of that chamber studied its rules of procedure more assiduously or was more devoted to its service than the late senator. The Honourable Leader of the Opposition (Hon. Mr. Haig) expressed it very well when he said that Senator Mackenzie felt restrained when he came to this house. He did not get the action here that he had been used to in the other place; nevertheless he continued to strive for the good of his fellow men. He continued to work for the returned soldiers, his comrades of the First World War and those who served in the last war. Knowing how arduously Senator Mackenzie worked for the betterment of his fellow men, I think his devotion to public duty is best summed up in a story I heard about a small girl. She was carrying her brother down the road and was asked by a man, "Won't you let me carry that boy for you? He must be very heavy for you." Her reply was, "He is not a heavy load, he is my brother."

SPEECH FROM THE THRONE

ADDRESS IN REPLY

The Senate proceeded to the consideration of His Excellency the Governor General's Speech at the opening of the First Session of the Twenty-First Parliament of Canada.

(*Translation*):

Hon. Joseph Adélard Godbout 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 in and over 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, it is a real pleasure for me to move the Address in Reply to the Speech from the Throne, and the personality of the man who presides over our debates adds to my enjoyment. I have known His Honour the Speaker in the province of which both of us are native sons and have had an opportunity to follow his political, professional and social career. Without revealing any embarrassing secret, I may say that it was under his aegis, as it were, that I entered politics. I wish to assure him that I will respect the general principles which he has instilled into me, and that I will abide by those same principles whenever he gives a ruling, as Speaker of this house, in regard to the rules of the Senate. I wish to assure him, further, that I will co-operate with all my colleagues in the best interests of our country, and follow the example set by our distinguished Speaker.

I also wish to thank the leader of the government for welcoming me to this house, and for the honour which he has conferred upon me by asking me to move the Address.

It is gratifying for me to point out the entry for the first time into the Senate and the House of Commons of representatives of a new Canadian province, namely, Newfoundland. This province brings us not only its physical resources but, what is more important, its moral values and the co-operation of its industrious people. I am sure that they will have no difficulty in adopting the principles of Canadian policy.

The Newfoundlanders are welcome to Canada, their representatives are welcome to the Senate, and I am proud to be associated with one of them in proposing the Address in Reply to the Speech from the Throne.

May I be permitted to recall to your memory the names of the two deceased sena-

tors just mentioned, whom I had not the honour to know as well as most of you did. I particularly wish to pay tribute to the memory of Honourable Senator Beaubien, my predecessor. The senator who represented the division which I now have the honour of representing was a gentleman, a man of great culture and a keen business man. I would like to imitate his straightforwardness and his broadness of mind in the discussion of all problems, not only in this house, but wherever he was called upon to express an opinion.

Honourable senators, to propose the Address in Reply to the Speech from the Throne is always a delicate matter when a man is new to his surroundings. It is both an honour and a pleasure for me to do so this year, because—and the case is rather rare in political history—the Speech from the Throne corresponds exactly to the programme proposed by the government during an electoral campaign.

As I see it, I am not expected to pay tribute to the efforts of the government or to its leaders, but rather to remind the people of Canada that they must co-operate faithfully and loyally with the men who direct the public life of their country in the common interest.

Democracy is in danger in several parts of the world, where an effort is being made to instil subversive ideas. The best way of meeting this danger is to command the respect of the people and, by so doing, to make them respect democracy.

The Speech from the Throne touches on all the aspects of Canadian life. It forecasts laws designed above all to defend our territory. I am not a soldier. I do not want war and I do not believe that Canada wants it; but war is sometimes forced upon us, and today, as in the ages gone by, the surest way of avoiding it is to unite and to command respect. As I mentioned a moment ago, subversive ideas spring from the mind of a people who are conducting their affairs in such a way as to extend their power beyond their own frontiers. It is these ideas which they wish to impose upon all the countries of the world. Canadians will not stand for this. We have had the lesson of the last war, and the road to peace is furnishing more lessons of the same kind. This should be a warning to us should war break out one day. It is surely our duty to avoid war, and the government should give serious consideration to this problem and develop true patriotism. Let us prepare reasonably and strongly; let us incur today the necessary expenses and see that they are met by our own generation, in order to ensure for our sons tomorrow the stability, the security and the happiness which we have enjoyed ourselves.

To make our country and all of North America secure, it will be necessary to organize, not only from the military standpoint, but also and perhaps particularly from an economic standpoint. The North Atlantic Pact may well safeguard, at least for a time, our boundaries, our military security. I am personally convinced that the North Atlantic Pact has dampened the ambitious dreams of certain people who need not be mentioned. We all know them. But the Marshall plan will probably come to an end in a few years, and I fear that several signatory countries will have to get themselves out of their financial difficulties. We will have to help them, and at our own expense. I am sure that all the public men of Canada accept this principle and I am also convinced that they will help in the quest for means to restore the economic equilibrium of the world, in our own hemisphere particularly, in order to protect North America and to ensure peace.

I also rejoice in the knowledge that the government of my country wishes to help in securing the peace of the world through social security, and more particularly to ensure social security within its own boundaries. I am not partial to socialism; I favour private enterprise, which I consider absolutely necessary to our economic progress. But if private enterprise is to continue to prosper, and in order that it may ensure the economic consolidation of the country, it will be necessary to look into our social legislation. To ensure social security to-morrow, it will first be necessary to obtain the services of each and every one in his own profession, and to place all talents at the country's disposal. Every man must have the means of earning a livelihood. But to earn one's living is not only to earn one's daily bread, but also to contribute the best of one's mind and heart to the country's welfare. The political and economic history of my country is a witness to the fact that, in all fields of human endeavour, the people who have received an education through the kindness of a sister, an uncle or an old parish priest, have placed all their talents at the disposal of their country. My colleagues are no doubt aware, as I am myself, that there are people in our country who, had they not been given an opportunity to continue their studies, could never have become outstanding members of their profession or have contributed as they did, materially and morally, to the life of Canada. As this type of personal benevolence no longer exists, the state will have to step in, to a certain extent, and help the larger and poorer families to develop the talents and

moral assets of their children, and thereby safeguard their future. My reason for favouring these social measures is not only that they provide the poorer families with bread, but also that they will endow Canada with enormous wealth and contribute towards making it one of the greatest countries of the world. We need experts to develop our resources. We lack technicians and, we will have to train hundreds of them to develop the national resources of our country. Personally, I should like to see our own native sons take advantage of the facilities to be provided in order to enter these higher fields. For a while yet we will have to call upon technicians of other countries—and they are most welcome here because they will help to develop our own assets—but I would like to see the sons of our Canadian soil prepared for the task of contributing to the material and moral greatneess of our country.

In addition to a good education, the people must enjoy good health to achieve this end. If we examine the statistics on the health of our country, we find that the population is healthy in mind in spite of living conditions that are still very primitive. I would like to ask my honourable colleagues to look over the health statistics more often. They will see how many people are in hospital and other institutions and how many will be dependent on the state for the rest of their lives. Many of those people could have been an asset to the country instead of a liability! As has already been stated by the prime minister, the federal government should intervene, not in order to supplant the provinces but to supplement their action. It is a duty which I would like the government to fulfil. It is necessary for the government to give financial help to the provinces in order to promote the rapid development of education, especially from a technical point of view. We need a great number of technicians to develop the resources of our country, and some provinces at least cannot cope with the task. With due respect for the supremacy of the provinces in the field of education, there should be no opposition, under the false pretence of autonomy, to the federal government giving them the necessary material help. Obviously this co-operation cannot go so far as to interfere in the choice or amendment of educational systems, but a way should be found to provide the necessary financial help without encroaching upon provincial rights. I shall cordially endorse any plan to provide such help to the provinces, not by interfering but by providing the necessary help, first for education and then for public health.

Honourable senators, I do not wish at this moment to hold your attention much longer. I will have the opportunity of discussing these matters later on. I am neither an alarmist nor a pessimist. I am rather an optimist by nature. I have confidence in my colleagues, in the future and in my country, but I cannot but point out that there is now in the world and in this country a trend of thought which frightens me.

The people seem to think that agriculture, in Canada as well as elsewhere, is so prosperous that the farmer lives like a king because of the abundance of food which he enjoys. This is true to a certain extent in the case of a few specialized farmers, but not for all the farmers in Canada. If the value of agricultural products increased during and after the war, on the other hand, in many cases the cost of production increased much more. Taking into account the farm machinery which the farmer must keep and improve and his tremendous expenses, I am convinced that unless a greater effort is made by governments to promote the farmer's welfare, there will be a depression in this field. There are people in some countries who suffer the pangs of hunger. Farmers, therefore, must be encouraged to produce in greater quantities. However, they are reluctant to incur the expenses necessary to do this, and tomorrow, perhaps, we may have to feed hungry mouths. Honourable senators, in 1960, the world population will have increased by 200 million. It means for one thing that we will require 350 billion gallons more milk than what we produce today. Now, what is the situation of the dairy industry in Canada? Dairy cattle are shipped to the United States on account of the higher prices which our farmers get there. I do not wish to sound the alarm but to draw attention to the seriousness of the situation.

I note that the Speech from the Throne forecasts some legislation to enable the federal parliament to amend the constitution. I repeat that I am an autonomist, not because I took part in the political life of a particular province before becoming a member of this honourable house, but because I believe that only through strong provinces will we be able to build a strong country. If we grant autonomy to the provinces, how can we refuse the government of this country the same privileges? I am glad to see that Canada has made gigantic strides towards autonomy and economic sovereignty. Canada will make equal progress on the road towards judicial sovereignty. The country must be completely free to amend its constitution. This is a delicate matter which some may be surprised to see me touch upon, but it is a matter regarding which I do not think I need be afraid to express my views.

I have confidence in Canadians, in all Canadians. There are no territorial barriers

and I see no differences between the races and beliefs of our population to prevent us from co-operating in making our country a great country. Why then should we not provide in our very constitution the means of amending it as new problems arise? The various legislatures of our provinces are asked at every session to amend the charters of from ten to twenty towns. If it is necessary to change charters of our cities and towns, how can we avoid changes also in provincial as well as federal legislation, whilst safeguarding the rights and privileges which no person wants to give up or dreams of losing? I am talking of the right to speak our language, but I have in mind all our rights. I would like to see assured to us all rights which the constitution guarantees, some of which the prime minister has had the courage to admit were not guaranteed. Before all my colleagues of this honourable house and before all the public men of Canada, I want to express the opinion that the French language should be recognized in the whole country—not only in the federal Parliament and in the province of Quebec, but also in all the provinces of the Canadian confederation. Our fathers were good Canadian citizens. They laid the foundations of the country's civilization, and I cannot understand why the right to speak their language should not be recognized in every part of Canada. There are French Canadians in Canada, and they are here to stay. We must live together as brothers. Let us therefore join hands with greater confidence and keep before our eyes the picture of a Canada free from barriers between provinces and from divisions between racial groups. We will thereby ensure, in the true interest of Canada, the stability and expansion of our economic development. (Text):

Honourable senators, will you allow me to tell you how privileged I feel at being permitted to participate in the debates of the Senate of my country, and, much more, in being a colleague of every present member of this honourable assembly.

I come here with as little prejudice as I could bring with me, my mind open to the study of every problem concerning the life, prosperity and happiness of my country. In the discharge of my duties I do not intend to be what in French we call "brouillon"—that is hasty and boisterous; rather, I think it will be my duty, especially during this first session, to listen, study and consider every problem in the light of Canadian interests.

In my mind and in my soul Canada is not divided by territorial interests, races or creeds; it is a rich, happy, united and great nation, to the future of which any citizen must be proud to devote, heartily and without any reserve, all that he can contribute.

Some Hon. Senators: Hear, hear.

Hon. Ray Petten: Honourable senators, there comes a time in the lives of some men when they are called upon to perform a duty which creates in them a profound and paradoxical sense of pride and humility. They are proud because they are the instruments chosen to perform a service of honour, but humble because they realize the magnitude of their responsibilities and, viewing themselves impartially, are quite conscious of their limitations. So today I am aware of the great honour that is mine, in that the privilege has been granted me to second the motion so ably presented by the honourable senator from Montarville (Hon. Mr. Godbout), whose distinguished career has made his name familiar even beyond the boundaries of our nation, and has placed him amongst the foremost of contemporary Canadian statesmen. He began his career as an educator and carried the principles of his profession into the wider field of politics. His name is synonymous with Canadian unity, which he did so much to preserve and promote. It is also inspirational to hear him speak in his native language, which indicates how well the Canadian nation protects the identity and traditions of its units while providing the strength and the greatness which union gives the whole.

I should like at this point to associate myself with the honourable senator's congratulatory remarks to the distinguished senator for Rougemount (Hon. Elie Beauregard) on his nomination as Speaker of this house. His long experience in public life furnishes ample reason for confidence in his ability to discharge his high functions with dignity and ease, thus successfully emulating the high traditions of his predecessors.

I also wish to join with the proposer in thanking the honourable leader for the way he has received me in this house, and to say how pleased I feel to assure him of our co-operation in the work which he directs with so much tact and diplomacy.

I would like honourable senators to know that I realize that the privilege granted me of speaking on the floor of this house today is an honour to the province I represent rather than a tribute to any merits which I myself may possess. This knowledge adds to the already weighty responsibilities of my task, for the manner in which I discharge it will redound, whether for good or ill, not on me alone, but on the land of my birth, that honourable island of venerable history which now is a part of that proud confederacy of progressive peoples, the great nation of Canada. I am also fully aware that in this

chamber I stand amongst some of the most distinguished of Canada's senior statesmen, men whose voices carry weight in the councils of the world, and whose worth has been proven on a stage of great vastness and scope. I could wish that an abler representative of Newfoundland were in my place today; but I know that the honourable senators; with their well-known kindliness and courtesy, will exercise tolerance and forbearance, and I am confident that I can rely upon the sympathetic understanding of my fellow Newfoundlanders who soberly realize the importance of the momentous events which have made recent history.

This is an occasion which will live forever in the history of Canada, and particularly in the records of the tenth province, for since the Senate last opened, this country has grown in area and in population, and the representatives of ten provinces, instead of nine, meet here in solemn conclave today.

Newfoundlanders heard with great pleasure the welcome which the Governor General gave us in the Speech from the Throne, and it was a great day for all concerned when the oldest British colony and the youngest dominion became the newest province.

Truly, Canada today stretches from sea to sea. When I first entered this building which houses the Parliament of Canada, I read with emotion and pride the inscription which is chiselled above the main entrance, "The wholesome sea is at her gates, her gates both east and west". In imagination and with heartfelt sincerity, may I be permitted to stand by the sea on the easternmost tip of Newfoundland, and across our broad and spacious land extend the hand of fellowship to my brother citizens who live beside the shores of the broad Pacific? And then, for a moment which would be immortal, I would see all the vastness that is Canada—its rich and fertile land, its energetic and devoted people, its solidarity and its progress—bounded on both sides by the wealth and the walls of two mighty oceans. Truly, honourable sirs, this is a great and glorious land, a nation which is reaching ahead to grasp and secure the future, whose position of power and pride is permanent. It is a solid land, a lasting land, and its record of sober achievement and steady growth is in itself the best assurance of its greater future prosperity. It is a land where faith in the future is justified by the works of the past.

Those honourable senators who are aware of the fact that the decision of Newfoundland to join with Canada was taken by a rather small majority of the Newfoundland people, may be interested to know some of the factors which influenced public thought on this issue. Confederation first became a public issue at a general election in 1869. The political party which introduced it was badly beaten, and for more than eighty years nobody dared to risk political extinction by raising the question again.

To understand their antipathy to confederation, let us take a superficial glance at the people of Newfoundland during the four and a half centuries in which they have lived on the island. It was the hope of liberty and freedom which, from the very beginning caused them to leave their homeland and make the difficult and dangerous voyage across the almost unknown Atlantic. They wanted personal freedom; they wanted to be rid of the restrictions and injustices of Tudor and Stuart England. They were prepared to pay a heavy price for that freedom in the wild lands and on the wilder seas of a practically unknown country. They established themselves in many hamlets along the coastline, and began to wrest a living from its waters and rugged soil. The coastline extends roughly about 6,000 miles, and now comprises upwards of 13,000 settlements. It was a wild and rugged life and only the fit and determined could survive, but it gave them a freedom which was almost absolute. However, they were not for long allowed to enjoy their freedom in peace. The long arm of the west country merchants, backed by ignorant and often dishonest officials in England, reached out to suppress them, to destroy their homes and to exterminate them as a colony. Throughout most of its history, their country and their rights have been pawns in the hands of outsiders who have had no regard for the interests of the people.

With such a background, is it surprising that through the centuries there had grown amongst the people an almost fanatical desire to keep their isolation at all costs. External associations had brought them nothing but injustice and spoilation, and even death. The hand of the outsider had only been raised to plunder, fine and imprison, and to destroy their homes and drive them into the wilderness. They had secured responsible government with great difficulty only a few years before, and their greatest desire was to be left alone. They feared political associations with anyone because of the bitter experience of the past.

But the world at large was moving much faster than Newfoundland. Changes in national and international relations were taking place. Recent years had seen a revolution in the methods of production and of international trade. Our country was completely dependent upon foreign markets; our fortunes fluctuated with theirs. To them we had to sell nearly all that we produced, and from them we had to buy nearly all we con-

sumed. But gradually relations of the modern world began to impress upon the people the new maxim that the day of the small nation was over. We began to look around for a partner with whom union would be mutually advantageous, and we looked to the west. There we stood, right at the very gates of Canada, a great nation and a member of the British Commonwealth, whose traditions and political principles were almost identical with our own. So representatives from Newfoundland sat down with Canada's government and worked out terms of union which some months ago were approved by the people and which made the completion of Canada a fact.

Honourable senators, I am very pleased to be able to report at this time that if a referendum on the question of confederation were taken in Newfoundland today, the vote would show that well over ninety per cent of the electorate was for union.

Some Hon. Senators: Hear, hear.

Hon. Mr. Petten: There remains in Newfoundland today only a very insignificant and fast-dwindling faction in opposition to confederation. A very definite proof of this was evident recently when the people of the island gave an overwhelming welcome to His Excellency the Governor General. The warmth of the greeting, and the widespread enthusiasm with which he was met everywhere, furnished abundant evidence of the attitude of the people of the tenth province toward the union which made them part of this great and vigorous nation. And again I need not remind honourable senators of the tempestuous reception given to the Prime Minister of Canada when he visited the new province some weeks ago. The Right Honourable the Prime Minister was greeted by great throngs of enthusiastic people who were eager to welcome the great Liberal statesman with the warmth and hospitality for which they are noted. Thousands of those who turned out to welcome His Excellency and the Prime Minister were citizens who had voted and worked against union with Canada.

It was prophesied by the present premier of Newfoundland more than a year ago that Newfoundland would quickly become the happiest of all the provinces composing the union, and that prophecy is already on the way to fulfilment. The people are determined to give confederation a chance to work, and there is no doubt that it is already working.

To many of you Newfoundland is still a strange country, and it is too early to expect that the problems peculiar to the new province should be familiar to you. Despite the fact that but a few miles of water separate the island from the mainland, there is much about this new part of Canada of which Canadians as a whole know very little.

Ours is a beautiful land, its climate and its scenery varying greatly. The perfect calm and mirrored quietude of long bays and sounds that reach inland for many miles in Bonavista and Trinity Bays, and the peaceful islands which make Notre Dame Bay a veritable paradise where trees thickly cover the hills down to the water's edge, contrast sharply with the bold rocky capes and headlands which in naked cruelty jut out into the stormy North Atlantic. The raw weather of the east coast is balanced by the finer, drier atmosphere of the Humber Valley. The storms of winter and long spring find compensation in a summer which, if rather brief, provides some of the finest weather imaginable, with hot sunlight tempered by wholesome sea breezes. In this setting of natural resources the sportsman finds his Eden, with the wary salmon waiting to be outwitted and a plentitude of large trout eager to fight the angler; while inland the lordly moose and fleet caribou roam the picturesque and scenic barrens.

The addition of Newfoundland to the rest of Canada brought another area of surpassing beauty to a great land already world famous for the diversity and excellence of its magnificient scenery.

Newfoundland's three major industries are the fisheries, the manufacture of pulp and paper, and mining. The fisheries, Newfoundland's chief source of wealth, have during recent years been undergoing some—shall I say—improvement. The erection of large freezing plants for the processing of fresh fish has been considerable, and its effect on the economy of the island has been extremely beneficial. But it was the salt codfish industry in the beginning which caused the colonization of the island, and which remains the most important factor in Newfoundland's economy.

This industry is divided into three main branches: the inshore fishery, the bank fishery, and the Labrador fishery. The inshore fishery is conducted with small boats manned by fishermen who, with traps and trawl, fish in the waters a few miles from the settlements in which they live. In the bank fishery, which is probably the best known of the three branches, fairly large schooners are used: they sail out to sea on the Grand Banks, and fish for cod in the deep waters. These vessels make several trips per year. The Labrador fishery also requires the use of schooners, considerably smaller than those used in the bank fishery. These outfit in the late spring and fish along the Labrador coast during the summer, returning home with their summer's catch of salt cod in the early fall.

Most of the fish caught is cured by the fishermen themselves. By and large the Newfoundland salt cod fishery is conducted in the same way that it was generations ago—and here I would like to say how necessary it is that steps be taken to modernize the industry if it is to survive and adequately support those engaged in it. The record of the industry is not good, despite the hard work, the effort, and the back-breaking labour pursued under conditions which are often not only extremely uncomfortable but very dangerous. The fisherman engaged in this industry usually has nothing to show for a lifetime of effort but a worn-out and tired spirit.

Recently there has been a growing acceptance of the fact that ways of improving the industry are already within our grasp. Two sound and practical suggestions have been made which, if pursued, will unquestionably vastly improve the industry within a few years. One calls for an alteration in the methods of inshore fishery; the other would revolutionize the method of cure. At the present time, as I have stated, small boats are used for the inshore fishery. This means that fishing can only be carried on in good weather. Our summers are brief, and smooth water is somewhat rare in early spring and late fall. Thus the amount of time the fisherman has in which to do his work is definitely limited. Again, small boats are restricting the quantity caught. Larger boats will supply the answer. Boats big enough and stout enough to withstand stormy seas, and with sufficient power to bring them in safely against heavy winds, would be able to go farther off shore, to spend days, if necessary, away from the home port, and to return when loaded. These boats would permit the fishermen to begin operations very early in the year and continue up until the year's end. Bigger boats and a longer season would greatly increase the catch per man per year, and thus bring greater prosperity to the people and the province. Already some experiments have been made, and the results have been gratifying.

The curing of salt codfish has been a vexatious problem. The old method must be discarded. At the present time fishermen cure their own fish, with the result that a uniform product is impossible. Further, the fisherman must spend much time curing his fish when he ought to be catching more. The answer to this is obvious. Central curing stations must be established to which fishermen could bring their fish as soon as it is caught. The plant will look after the matter of curing while the fishermen continue to catch. The matter of artifical drying, particularly in the early stages of curing, must receive attention also, and must be arranged in conjunction with these central curing stations. The fresh fish industry has proven the value of buying fish fresh from the fishermen. People who do not have to cure their fish have more time at the fishery and generally appear to be more prosperous than those who salt and cure their fish.

Despite the fact that the codfish industry has been carried on continuously for four hundred and fifty years, too little is known regarding the fishing grounds off our coast, the location of banks, and so forth. It seems to me that the time has arrived when a thorough investigation along scientific lines should be undertaken to make certain of the existence, location and dimensions of the many sections of the ocean within fifty to one hundred and fifty miles of our northeast coast, and that some scheme should be evolved under which such areas can be exploited to the advantage of the men whose severely circumscribed operations today make it difficult to gather a harvest that will afford them the type of livelihood to which they are entitled.

Before I leave the fisheries I would make brief reference to the seal fishing, which early each spring provides an industry that for adventure, romance and colour, is unequalled in the annals of commerce. The big game hunter meets nothing in the realm of sport to excel the danger and the excitment of killing seals on the heaving icefloes of Newfoundland waters.

The mills at Corner Brook and Grand Falls, the former the largest in the world, employ thousands of people in the manufacture of newsprint and sulphite, and other thousands in cutting the wood which is necessary to feed the mills. The value of this industry runs into many millions of dollars and is a vital factor in the island's economy.

Mining is centered largely at Bell Island and Buchans. The iron ore from the former remains in good demand and is smelted in the mills of North Sydney.

Honourable senators, it was with great pleasure that I noticed the reference in the Speech from the Throne to the Trans-Canada highway. For many years Newfoundlanders have keenly desired to have a trans-insular road extending from St. John's to Port aux Basques. Now it appears as if their dream of decades is about to be realized. This road will not only open up the interior of the province, but will be a great step forward in building up a tourist business in Newfoundland. If confederation accomplished nothing else for our island, the building of the trans-insular road would make it worth while, for the Trans-Canada highway will cross the island of Newfoundland. It will extend from St. John's to Victoria, or—if the honour-

able gentlemen from British Columbia prefer it—from Victoria to St. John's. Isolation with all its stultifying consequences has been a strong deterrent to our progress, I dare say this applies to other parts of Canada as well. When isolation is banished individual happiness and a broader culture inevitably follows. Therefore, it is with intense interest that the proposed-Trans-Canada highway is visualized by our people. Newfoundland will remain an island, but its insularity will disappear.

I would not be speaking truly if I gave the impression that Newfoundland is going to judge the wisdom of uniting with Canada by the selfish yardstick of what she gets out of the union. Our Newfoundland people have a strong pride, and the last thing they want is to be regarded as a burden on the rest of Canada. It is true that our long night of isolation held us in check and left us, by comparison with some of the other provinces, weak and backward. We cannot as yet offer that contribution to the union which we should like to make, but that will come. We are determined to place ourselves in a position so that we may be able to contribute substantially to the union whose benefits we share.

We have very important natural resources on the island of Newfoundland, and in the vast territory of our Labrador. It has already been made abundantly clear that this new land, comparatively unknown until recent years, contains enormous iron ore deposits, huge forests and tremendous waterpower. It is a virgin land and its potential value is staggering in its concept. We want to see these resources developed for the general good of Canada, as well as for our own prosperity as a province, and we believe that they will be developed.

In addition to the natural resources which exist in the waters around our coasts and in our forests and mines, and in the military advantage of our strategic position, Newfoundland has brought another asset to Canada which, in the long run, may surpass all others—I refer to the people, the Newfoundlanders themselves. Centuries of independent living in a rugged and often forbidding country, where existence has depended upon toil, ingenuity and endurance, have produced a particularly hardy, self-reliant race. They have lived daily with danger on the sea, have endured the harshness of Nature in its season, and have survived the injustice of ancient wrongs. They are today a courageous, imaginative, sensitive and robust people who have learned sympathy through distress, and hospitality through frequent need. Their capacity for sacrifice has been well established, and their loyalty is unsurpassed anywhere in the world. Certainly when Newfoundland became part of Canada these new Canadians, numbering well over a quarter of a million people, brought in themselves a priceless contribution, the value of which only time itself can assess.

Honourable senators, it is a great honour to have a seat in this chamber as a senator of Canada and to participate in this debate; but above all it is a great honour to be a Canadian.

Some Hon. Senators: Hear, hear.

Hon. Mr. Haig: Honourable members, I move the adjournment of the debate.

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, September 21, 1949.

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

Prayers and routine proceedings.

COMMITTEE OF SELECTION

PRESENTATION OF REPORT

Hon. A. B. Copp presented the report of the Committee of Selection.

(See appendix at end of today's report.)

The Hon. the Speaker: When shall this report be taken into consideration?

Hon Mr. Robertson: Tomorrow.

Honourable senators, I should like to make an explanation for the benefit of our newer members, who are not as familiar with the procedure of this house as are those of us who have been here for a longer period of time. It is customary for the Committee of Selection to appoint representatives from both parties to the various standing committees. This is done in accordance with the best information available to the committee as to the individual interests of the members. Some vacancies are left on the committees for new senators whose special knowledge and ability qualifies them to serve. The list of the Standing Committees will be published, and if honourable senators who desire a change will make their wishes known, a change will be made if this is feasible. I understand that the Committee on Banking and Commerce is complete at the moment, but it may be that from time to time some honourable senators who have been nominated to serve on this committee will tender their resignations, thus making room for others who may wish to serve on this committee. It is our aim and desire to enable honourable senators to serve on as many committees as they may desire. If the appointments cannot be made now, we shall endeavour to make them at the first opportunity.

Hon. Mr. Haig: I would add to the remarks of the honourable leader opposite (Hon. Mr. Robertson), that honourable senators are permitted to attend meetings of committees to which they have not been appointed, and to participate in the discussions; but they are not allowed to vote.

CRIMINAL CODE BILL

FIRST READING

Hon. Mr. Robertson presented Bill D, an Act to amend the Criminal Code.

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. Godbout for an address in reply thereto.

Hon. John T. Haig: In rising to take part in this historic debate, I first want to pay my respects to the new Speaker of this house. On behalf of our party I wish him every success during his term of office. I am sure I speak for every honourable senator when I say that I am delighted that he has been appointed Speaker of the Senate.

Some Hon. Senators: Hear, hear.

Hon. Mr. Haig: I wish to congratulate the mover (Hon. Mr. Godbout) and the seconder (Hon. Mr. Petten) of the motion, for the splendid speeches they made yesterday. I admit that I could not understand the first part of the mover's address because it was in French, but I have read the translation and am pleased with the sentiment expressed. In paying my respects to the honourable senator from Newfoundland (Hon. Mr. Petten), I want to assure him that every member of this chamber is delighted that Newfoundland is now part of Canada.

Some Hon. Senators: Hear, hear.

Hon. Mr. Haig: There may be some who will say that we are making a costly experiment. By and large, the first part of the honourable gentleman's speech illustrated the difficulties that we face in dealing with that problem. However, the second part of his speech was so encouraging, not only as to the natural resources of our great new province but as to the kind of people who live in it, that I have no fear for the future of Canada by reason of Newfoundland's being part of it.

I wish to make an unusual salutation to the leader of the government in this house (Hon. Mr. Robertson). During five sessions now I have been his opposite member here. He may have his shortcomings—I know that I have mine, and I suppose we all have some—but my association with him while helping him to direct the proceedings of the Senate has been for me a most delightful experience. I take this opportunity of paying him my very highest respects.

Some Hon. Senators: Hear, hear.

Hon. Mr. Haig: I should also like to say a world of welcome to the new members, those who came here for the first time at the opening of this session. We who have been here before you want you to feel that we are all part of one body. It may interest you to know that this house changes its members

even more often than does the House of Commons. For example, during the five years when R. B. Bennett—later, Viscount Bennett—was Prime Minister of Canada, he filled thirty-three senatorial vacancies. I believe the records will show that approximately one-third of the personnel of the Senate changes, on the average, every five years. I am not one of the senior members, though I am rapidly approaching that position after only some fourteen or fifteen years. When I was appointed I was No. 93 on the roll; now I am No. 24. That change in my position of seniority here does not take account of a considerable number of senators —perhaps 24 in all—who were appointed after me and who have since died.

I repeat, we welcome you new members. You are bringing with you here the new spirit of Canada. We will give you every assistance. There is only one thing we would say to you: you are here, not as Liberals, but as Canadians, and we hope that in considering questions you will forget politics and think only of the welfare of Canada.

Hon. Mr. Duff: You bet!

Hon. Mr. Haig: I say that because each of you, like the rest of us here, has a very high responsibility, resulting from life appointment to this great national legislative body. The world is facing new issues all the time. We thought that at the conclusion of the war our really serious problems would be solved, but they seem to be increasing in number every year. I am sure all our new members realize that for the remainder of their lives they will hold the destinies of our country in their hands. It is a heavy responsibility.

Just a word on another point. I have often been asked how the leader of the opposition chooses his deputy leader and his whips. People say to me, "You have such a small group that you do not need much assistance in the way of deputy leader and whips." I sometimes take the trouble to point out a little secret: If you have a kicker in your party, put him in a job and he will change to a booster and friend. Well, you can look around you now and see why certain members have been chosen for honourable positions.

Some Hon. Members: Oh, Oh!

Hon. Mr. Haig: Here is another point. The leader of the government in the Senate is chosen by the Senate, but the leader of the opposition is chosen by his own supporters. Once the leader of the opposition gets into office he cannot be put out except at a caucus, and he is the only one who can call a caucus. So I am not going out of office for a day or two.

Now let me deal with the Speech from the Throne. The first thing that strikes me about the speech is that it gives very little information as to the government's legislative program. True, it does propose abolition of appeals to the Privy Council, amendments to the British North America Act, and government assistance in housing and the construction of the trans-Canada highway. Considerable reference is made to other legislation, but there is little indication of its character.

The Speech from the Throne does not say much concerning the proposed legislation to abolish appeals to the Privy Council, but the bills have been distributed, and we can read them. As to the intended amendments to the British North America Act, the government merely says that it is asking for legislation permitting it to deal with that part of the act which affects federal matters. I suppose a conference with the provinces would follow. The Speech from the Throne gives little indication of the form the new legislation will take. Therefore, if I do not devote much time to it in my remarks, honourable senators will understand why.

First I shall deal with the question of the abolition of appeals to the Privy Council. I do not wish to refer to what has been said in another place, but speaking personally, and on behalf of the party I represent, I feel that the proper place for final appeal is the Supreme Court of Canada.

Some Hon. Senators: Hear, hear.

Hon. Mr. Haig: The Canadian Bar Association, in convention recently at Banff, recognized some of the difficulties consequent with this change in procedure. Before dealing with the attitude of that convention, I want to say that I believe 90 per cent of Canadian lawyers are in favour of the proposed change. One reason for this, of course, is that we want to show the world that we are an independent nation; but the real reason from the lawyer's standpoint is that wealthy corporations have the means to go to the Privy Council, whereas poorer litigants have not.

The history of the Province of Ontario tells us that at least once a year for many years one of its former premiers, Sir Oliver Mowat, went to England to appear before the Privy Council on questions in which provincial jurisdiction came into conflict with federal jurisdiction; and in nearly every case his appeal was successful. I repeat, that 90 per cent of the lawyers in this country—probably 99 per cent—are in favour of making the Supreme Court of Canada the court of final appeal.

Hon. Mr. Aseltine: The percentage is too high.

Hon. Mr. Haig: Certainly it is 90 per cent. May I read to the house an extract from the proceedings of the Canadian Bar Association convention dealing with this question? It is as follows:

Whereas the Government of Canada has announced its intention to introduce legislation at the next session of the Parliament of Canada, providing for the abolition of appeals to the Privy Council and making the Supreme Court of Canada our final Court of Appeal in all matters,

Be it resolved that the Canadian Bar Association, without expressing any view as to the wisdom or otherwise of the proposed abolition, is of the opinion:

(i) That any bill for the abolition of the Privy Council appeal should contain the necessary provisions as to the organization and jurisdiction of the Supreme Court of the system by which its judges will be appointed.

That should be clearly set out.

That sufficient time be given before the statute is enacted to permit the public to give consideration, both as to the question whether the abolition of the appeal to the Privy Council should take place and to the constitution and powers of the court that may replace it and also—

I emphasize this.

—to the effect which the abolition may have upon provincial and minority rights.

The association goes on to suggest what should be done if the appeal is abolished. Probably I should read the remainder of the resolution.

(ii) If, as and when the appeal should be abolished, it is the opinion of this association as at present advised:

(a) that the Supreme Court should consist of nine judges.

I believe that the present bill so provides.

(b) That a quorum of the court should be five judges;

(c) that it should sit always with an odd number of judges present;

(d) that there should be no change in the present practice of the court, under which each member is free to give reasons for his judgment;

(e) that the court should continue to sit at Ottawa only;

(f) that the salaries of the judges of the court should be substantially increased so as to make such salaries commensurate with the responsibilities of the office, with an appropriate additional amount to the Chief Justice;

(g) that the rule of *stare decisis* ought to continue to be applied with respect to past decisions of the court, as well as with respect to past decisions of the Judicial Committee.

It is with the first clause that I want to deal.

Discussion of this question of appeals to the Privy Council has been going on in Canada for nearly eighty years. There was agitation to end them even before there was any disposition to change our colonial status. I do not believe that it would be in the interests of Canada to put through this legislation too hurriedly: there should be a lapse of time long enough to enable a parliamentary committee, either of the House of Commons or of this chamber, to obtain the opinions of leading lawyers, prominent business men, representatives of labour and other organizations. We should also know at least in outline how matters of provincial and minority rights generally are to be dealt with. This subject hooks in with the legislation to amend the British North America Act. We should be in a position to discuss the two measures together, because they hang together. Some people contend that the Parliament of Canada has full power to do anything they deem advisable. Others take the stand that the provinces should be consulted. Admittedly there are differences of opinion, and I am certain that Canada cannot be kept united unless on all these great questions the provinces are consulted. I do not contend that it is necessary to get their unanimous consent. But let me remind you that the constitution of the United States cannot be amended except after a two-thirds vote of the Senate and of the House of Representatives, as well as an affirmative vote of two-thirds of the States.

Hon. Mr. Farris: You would not like that system to apply, would you?

Hon. Mr. Haig: I am not saying what I would like; I am saying that some provision should be made to consult the provinces. I am not now suggesting what that provision should be. I do not believe I am competent to do so; in any case I have not thought the question through. But I do know that in all human relations—and after all the provinces are bodies of human beings in association—people get along better if they have an opportunity to discuss issues among themselves. It is my experience as a practising lawyer that, although a situation may seem impossible, when you and the opposition lawyer get together it is wonderful how many differences you can iron out in conference which could be composed in no other way. In my opinion the provinces need for their appellate purposes some tribunal other than the Supreme Court. I say this with no disrespect to that court. In any event I am sure that the provinces would be better satisfied and there would be more prospect of unanimity if, concurrently with the consideration of this matter of appeals, they were consulted as to the amendment of the constitution.

Hon. Mr. Euler: All the provinces have their representatives in this house.

Hon. Mr. Haig: I know that.

Hon. Mr. Euler: And in the other place.

Hon. Mr. Haig: I know that too. But the fact may as well be faced that in certain

provinces the charge is made, though I do not believe it is true, that the judges represent the capitalist class and no other. I suppose I cannot be assumed to represent any but the capitalist class, because I believe in free enterprise and am opposed to governmental controls and government domination.

Take as an example the province of Manitoba. For years and years we had rows with the Dominion Government over railway rates. If that matter were now in issue, I would not like to have the rights of Manitoba finally disposed of by a court appointed in accordance with the proposed procedure. Remember, it has required judgment after judgment of the Privy Council to determine the respective rights of Ontario and the Dominion. Similar issues will arise again. I repeat therefore, that in my opinion the bills dealing with appeals and with constitutional amendments should be considered together, and I think the Bar Association did wisely in inserting in the first part of its resolution that consideration should be given "also to the effect which the abolition may have upon provincial and minority rights."

So much for the matter of appeals. We shall deal, of course, with the bill when it comes here. I cannot say anything about the constitutional amendments, because I have no indication as to what they will be. I do not think much of the idea of giving parliament the power to amend the British North America Act in one particular and not in another. Here again, a conference with the provinces would be desirable. I do not suppose that in law anybody can maintain that the Parliament of Canada is not supreme. I admit that it can enact legislation dealing with this matter, and that it would be approved by the British Parliament; and the provinces cannot demand as of right that a conference be held; but if we are to have peace and unity I think they will have to be consulted. I support wholeheartedly the views of the Canadian Bar Association on this point as expressed in its resolution, which puts the issue in a nutshell. The members of the association did not consider the question as supporters of any political party, and the resolution, in my opinion, has no such purpose.

The next item with which I will deal briefly is the trans-Canada highway. Naturally, all of us are in favour of the construction of this highway; but I suggest to the government that it has a very thorny and difficult proposition on its hands. What I am about to say is said without disrespect to, or in a spirit of criticism of, any province. In this matter each province is as important as any other. But how can Saskatchewan be expected to undertake a large part of the cost of building a highway across the province, some four hundred-odd miles east and west, when its natural traffic lines run north and south? Does the Government of Canada expect the people of Saskatchewan will be willing to pay half or indeed any of the cost? I shall not say anything about Manitoba because, owing to the situation of our lakes and the distribution of our population, our main natural highway is east and west. As to British Columbia I cannot speak with any authority. My honourable colleague from Vancouver will tell you that it is the richest province of Canada, but I doubt whether British Columbia will want to build a high-class road clear through the mountains to the coast. It may do it, but it will encounter difficulties. The same problem is found in Northern Ontario. Once you leave Sault Ste. Marie and travel west you pass over hundreds of miles of rocky terrain. The pulp and paper companies and other industries do not require a trans-Canada highway, because they use water for their transportation purposes.

The government has got to decide where the highway is to be built. It has been suggested that this decision will be left to the provinces. As far as Manitoba is concerned, I do not think it would matter much whether the highway ran straight west, or northwest, from Yorkton; but perhaps the majority of our people would want it to run to Regina over the route now taken by No. 1 Highway. However, whether it should continue from there to Calgary, or run north through Saskatoon to Edmonton, is a serious question. The people of Edmonton will tell you that within twenty-five years their city will be one of the greatest in Canada, and they will argue that the highway should pass through that city.

Manitoba is anxious to see this highway become a reality. I admit that the eastern provinces have greater scenic possibilities than the mid-west, but I believe that an all-weather highway from Winnipeg to the coast via Calgary or Edmonton, would develop our tourist traffic immeasurably. We are therefore vitally interested in this project, and are behind it wholeheartedly. I feel strongly that the government should carry out the construction of this highway, because tourist money is the easiest made and is our best source of revenue. Now that the Canadian dollar is at a ten per cent discount, the American tourist trade will mean millions of dollars to Canada.

I have not too much to say about housing. The building program in Western Canada, which will be completed by early spring, will provide houses for those who can afford to buy under present high costs. Our difficulty is that accommodation is not being provided

for our thousands of low-wage earners. These are the people who should be considered first. I shall repeat what I was criticized for saying once before in this chamber, that the federal and provincial governments have got to give financial assistance to the municipalities to enable them to build housing accommodation for our low-paid workers. If this is not done, legislation should be passed to provide our workers with a basic wage which will enable them to build or buy houses at present-day costs. The government may take whatever horn of the dilemma it wishes; it will have to take one or the other.

I turn now to the subject of old age pensions. I was hopeful that an amendment would be introduced this year to provide for two things. The first is that the pensioner should be entitled to earn beyond his pension of $40, without deduction therefrom, an amount proportionate to the amount that he was permitted to earn when the statutory pension was $30 per month. I think the concession should be $120 per year. This may not seem much to us, but it is important to the old age pensioner. I realize that I do not present the views of every member of my party, but I think the means test should be done away with. This may sound drastic, but my experience as a lawyer has taught me that the means test is most disagreeable to Canadian men and women who, after spending a lifetime in this country, have lost their savings in one way or another and are obliged to apply for old age pensions. In Manitoba we have found every case so clear that the means test is not really necessary. I must say to the gratification of my own province, that the committee concerned has always released the security. Just recently an eighty-four year-old woman who owned a one-third interest in eighty acres of land, half of which was under cultivation, wanted to give the property to her son. The government had a lien on the property, but when I placed the facts before the committee the land was released. The committee in Manitoba has followed this practice in every case.

There is nothing more I wish to say about the Speech from the Throne.

Honourable senators, these past two weeks have been important ones in world affairs. The government financial leaders of Great Britain, Canada and the United States met in Washington and, as was stated in the other chamber a few days ago, Canada's delegate stood second to none in these deliberations. I say quite candidly that he did a splendid job. A day or two following this conference of financial experts, the international committee on the Atlantic Pact held a meeting. Then, a few days later, there was a meeting of the representatives of the International Monetary Fund. Our delegates occupied a difficult position at these meetings, but I am sure we are all proud of the able manner in which they represented Canada.

There is no use denying that Canadians are bound to the Mother Country by ties of sentiment. It is just as a man said to me the other day, "If I were born in Sweden, Norway, France or Italy and came to this country to live, I would not have the same sentimental ties with Britain that a person from Scotland or England would have." However, all those who have come to Canada and lived here for a lifetime have realized the contributions Britain has made to the world. They have realized how much Britain has contributed to our system of government and our system of justice. When Britain declared war on Germany in 1939, though Canada did not have to enter into hostilities, every member of this house and all but two members of the other house agreed that we should join Britain. That was an indication of the deep affection Canadians have for the Mother Country.

Britain has made mistakes. I think her people made a mistake when they elected their present government. But that is none of my business. I think other people, too, made mistakes when they elected their governments.

Some Hon. Senators: Oh, oh.

Hon. Mr. Copp: That is not your fault either.

Hon. Mr. Haig: I just wanted to point out that our representatives at these various international conferences have had this rather delicate situation with which to contend. I have read everything I could about what happened at these meetings, and I am convinced that we would all support the decisions made by our representatives.

Britain has devalued the pound much more than I think anybody expected. Canada has followed by devaluing her dollar, and just here I want to pay a word of respect to my honourable friend from Toronto-Trinity (Hon. Mr. Roebuck). I have always been in favour of a ten per cent devaluation, and every time I have spoken in this house on the Speech from the Throne I have advocated this policy. About three years ago my honourable friend made such an able speech on the question of devaluation that a year later I joined him in advocating that we should let the dollar find its own value. The dollar is a commodity on the world market, just as is a bushel of wheat, a bushel of potatoes, a case of salmon, a barrel of apples, or anything else that we sell. The very fact that the government has devalued the dollar on the market shows that money is a commodity. As soon as Britain reduced the market price of her currency we did the same with ours, as did nearly all

the countries of Europe; and that was done in each case because the value of the currency had gone down in relation to the value of United States currency, which is accepted as the base. I think it would have been better for us if the government had not fixed a definite price for our dollar, but had allowed it to find its own price on the world's market; because if the present rate of discount does not accomplish the desired purpose there will have to be a further discount, and every such adjustment will become an increasingly difficult one. I say quite candidly that in my judgment we should not have interfered with the exchange rate in July 1946; we should have held the dollar at 90 cents from that time on. Now we are back to that rate.

These changes cause widespread interference with world trade. Just the day before yesterday we read that Great Britain had concluded a deal with Czechoslovakia for the purchase of lumber from that country. I do not know anything about lumber, but I see some lumbermen about me, and they will understand how much harder it is going to be to sell their products to Great Britain because of this deal with Czechoslovakia. An honourable member—I believe it was the mover of the address—said he believed in multilateral trade. It is very well to say that, but how are you going to get multilateral trade unless you have a standard of currency acceptable to the countries ready to trade with you? Look at what happened to Britain. United States purchasers would not buy British goods because they felt the pound was at too high a rate of exchange in relation to the American dollar. Anyway, I am glad that at last our government realized that the Canadian dollar had to be devalued. The government resisted devaluation for a long time, and I know that arguments can be made to support the resistance. We read these arguments every day.

We are being faced with the keenest trading competition in our history. A year from the 31st of July the grain produced in my part of the country will be sold on the open market; it will still be handled by the pools, but there will be no contracts. Honourable members know that I have protested in this house before about the price of $1.55 that was set for our wheat sales to Britain, but I was advised to wait and see what would happen after the contracts had expired. The prediction was that Britain would want to continue buying Canadian wheat. Well, do honourable members think Britain will buy Canadian wheat next year if she can make a deal to buy more cheaply from the Argentine, or from Russia or France? And in any event, how could she buy from us if the United States, which is putting up the money, insists that American wheat be bought with it? That is what the United States will insist on. The question is, not what Britain wants to do, but what she can do.

The government is going to run into heavy losses next year in its trading operations. I noticed a report that up to the 31st of March last we had lost half a million dollars in the buying and re-selling of fish. We cannot go on buying fish, potatoes, cattle, hogs and so on and selling them at a loss. Now the government is buying butter. I direct this particularly to the attention of the senator from Waterloo (Hon. Mr. Euler).

Hon. Mr. Euler: Eat margarine.

Hon. Mr. Haig: The government is buying up butter, and it will take a big loss before it is through. Every time the government goes into a commercial enterprise of this kind it rides for a fall.

In my opinion the next three or four years will be most difficult ones for Canada. Let me say here, on behalf of those of us in the Senate who belong to the Conservative party, that we shall do everything we can to assist the government in finding solutions for its problems. We shall not indulge in carping criticism of government action in dealing with those problems. We realize that the world is in a terrific turmoil. As has been said hundreds of times in this house and in another place, the world today is divided between two ideologies. The Atlantic Pact is a great help to us, but we have tremendous burdens and responsibilities. We are now an important nation in world affairs, and there rests upon us the duty of doing our utmost to protect our own people and our wealth of resources. We owe it to the United States to hold up our end. That country is doing a magnificent job, no matter what anybody may say to the contrary, and it will do even better if it knows that we are doing our best to help out.

Honourable senators, if we want to get the world back on its feet we have got to do our share of the necessary work towards that end. Think of the misery and destruction caused by World War I. We used to feel that nothing could be worse than what happened back in those days; then we came to World War II. A young man said to me: "I dropped six tons of bombs on Cologne five times. I was four miles up in the air when I said 'Bombs away!' I suppose a hundred persons lost their lives because those two simple words were spoken". Surely, honourable senators, we do not want that kind of thing to continue.

Let us forget our politics. When we think the government has done something good, let us commend it; and when we think it has acted wrongly, let us say so, in firm but friendly terms, and point out what we think

should have been done instead. If we work together in this way we can make a contribution to this country's welfare that will justify the existence of the Senate for another century.

Honourable senators, I thank the house for listening to me so long.

Hon. Wishart McL. Robertson: Honourable senators, I do not intend to proceed today with the few remarks that I wish to make in the debate on the Address, and within a few minutes I shall move adjournment of the debate. First, however, I wish to make two statements for the information of the house. Tomorrow afternoon I shall move that the Senate adjourn until Tuesday evening next. I may say to new senators that the question of whether we should adjourn until Tuesday afternoon or evening is one on which there has never been any unanimity of opinion here, and I have endeavoured to bring the wisdom of Solomon to bear by alternating between the afternoon and evening whenever circumstances permitted.

It is hoped that this session we shall be able to complete our work on the Bankruptcy bill, which has been before us the last two sessions, and send it on in good time to another place. A measure to consolidate various Acts relating to national defence will come before us. Though this measure may not be discussed at length in this chamber, it undoubtedly will take a good deal of the time of the committees. The members of this house possess considerable talent and experience, and I am sure it would be to our benefit and that of the country at large if as many honourable senators as possible were to express their views in the debate on the Address in Reply to the Speech from the Throne. I invite all honourable senators to participate in this debate. The quality of the speeches we heard yesterday prompts me to extend to senators recently appointed to this chamber a special invitation to speak. One senator asked me if it was a tradition in this house that junior members should be seen and not heard.

Some Hon. Senators: No, no.

Hon. Mr. Robertson: That may be the practice in the other place, but it certainly is not so in this house. Whenever possible, I avail myself of the opportunity to ask new members to participate in the proceedings. Tomorrow afternoon I shall speak for a short time, after which any honourable senator who wishes to do so may follow.

Honourable senators, I move the adjournment of the debate.

The motion was agreed to.

The Senate adjourned until tomorrow.

Appendix

REPORT OF COMMITTEE OF SELECTION

Wednesday, September 21, 1949.

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 Aseltine, Aylesworth, Sir Allen, Blais, David, Fallis, Gershaw, Gouin, Jones, Lambert, Leger, MacLennan, McDonald, Reid, Vien and Wilson. (16)

Joint Committee on Printing

The Honourable Senators Beaubien, Blais, Bouffard, Comeau, Davies, Dennis, Euler, Fallis, Lacasse, Moraud, Mullins, Nicol, Penny, St. Père, Sinclair, Stambaugh, Stevenson, Turgeon and Wood. (19)

Joint Committee on the Restaurant

The Honourable the Speaker, the Honourable Senators Beaubien, Fallis, Haig, Howard, McLean and Sinclair. (7)

Standing Orders

The Honourable Senators Beaubien, Bishop, Bouchard, Duff, DuTremblay, Hayden, Horner, Howden, Hurtubise, Jones, McLean, St. Père and Wood. (13)

Banking and Commerce

The Honourable Senators Aseltine, Aylesworth, Sir Allen, Baird, Ballantyne, Beaubien, Bouffard, Buchanan, Burchill, Campbell, Copp, Crerar, Daigle, David, Davies, Dessureault, Duff, Euler, Fallis, Farris, Fogo, Gershaw, Gouin, Haig, Hardy, Hayden, Horner, Howard, Hugessen, Jones, King, Kinley, Lambert, Leger, MacKinnon, MacLennan, Marcotte, McGuire, McKeen, McLean, Moraud, Nicol, Paterson, Quinn, Raymond, Robertson, Roebuck, Sinclair, Taylor, Vien and Wilson. (50)

Transport and Communications

The Honourable Senators Aseltine, Beaubien, Bishop, Blais, Bourque, Calder, Campbell, Copp, Daigle, Davis, Dennis, Dessureault, Duff, Duffus, Emmerson, Fafard, Farris, Gouin, Haig, Hardy, Hayden, Horner, Howard, Hugessen, Hushion, Jones, Kinley, Lacasse, Lambert, Leger, Lesage, MacKinnon, MacLennan, Marcotte, McGuire, McKeen, Moraud, Paterson, Petten, Quinn, Raymond, Reid, Robertson, Sinclair, Stevenson, Veniot and Vien. (47)

Miscellaneous Private Bills

The Honourable Senators Aylesworth, Sir Allen, Beaubien, Bouffard, David, Duff, Duffus, Dupuis, Euler, Fafard, Fallis, Farris, Ferland, Godbout, Hayden, Horner, Howard, Howden, Hugessen, Hushion, Lambert, Leger, MacLennan, McDonald, McIntyre, Mullins, Nicol, Paquet, Quinn, Reid, Roebuck and Taylor. (31)

Internal Economy and Contingent Accounts

The Honourable Senators Aseltine, Ballantyne, Beaubien, Beauregard, (Speaker), Campbell, Copp, Fafard, Fallis, Gouin, Haig, Hayden, Horner, Howard, King, Lambert, MacLennan, Marcotte, McLean, Moraud, Paterson, Quinn, Robertson, Vien and Wilson. (24)

External Relations

The Honourable Senators Aylesworth, Sir Allen, Beaubien, Buchanan, Calder, Copp, Crerar, David, Dennis, Doone, Fafard, Farquhar, Farris, Gladstone, Godbout, Gouin, Haig, Hardy, Hayden, Howard, Hugessen, Lambert, Leger, Marcotte, McGuire, McIntyre, McLean, Nicol, Robertson, Taylor, Turgeon, Vaillancourt, Veniot and Vien. (33)

Finance

The Honourable Senators Aseltine, Ballantyne, Barbour, Bouchard, Bouffard, Buchanan, Burchill, Calder, Campbell, Copp, Crerar, Davies, Duff, DuTremblay, Fafard, Farquhar, Farris, Ferland, Fogo, Golding, Haig, Hayden, Howard, Howden, Hugessen, Hurtubise, Hushion, King, Lacasse, Lambert, Leger, Lesage, McDonald, McIntyre, McKeen, McLean, Moraud, Paterson, Petten, Pirie, Robertson, Roebuck, Sinclair, Taylor, Turgeon, Vaillancourt, Veniot and Vien. (48)

Tourist Traffic

The Honourable Senators Baird, Beaubien, Bishop, Bouchard, Buchanan, Crerar, Daigle, Davies, Dennis, Duffus, Dupuis, DuTremblay, Gershaw, Gladstone, Horner, King, McDonald, McLean, Paquet, Pirie, Roebuck, Ross and St. Père. (23).

Debates and Reporting

The Honourable Senators Aseltine, Bishop, DuTremblay, Fallis, Ferland, Grant, Lacasse and St-Pere. (8).

Divorce

The Honourable Senators Aseltine, Copp, Euler, Gershaw, Haig, Horner, Howard, Howden, King, Kinley, Ross, Sinclair, Stevenson and Taylor. (14).

Natural Resources

The Honourable Senators Aseltine, Barbour, Beaubien, Bouffard, Burchill, Comeau, Crerar, Davies, Dessureault, Duffus, Dupuis, Farquhar, Ferland, Haig, Hayden, Horner, Hurtubise, Jones, Kinley, Lesage, MacKinnon, McDonald, McIntyre, McKeen, McLean, Nicol, Paterson, Penny, Pirie, Raymond, Robertson, Ross, Sinclair, Stambaugh, Stevenson, Taylor, Turgeon, Vaillancourt and Wood. (39).

Immigration and Labour

The Honourable Senators Aseltine, Blais, Bouchard, Bourque, Buchanan, Burchill, Calder, Campbell, Crerar, David, Davis, Dupuis, Euler, Ferland, Fogo, Haig, Hardy, Horner, Hushion, Lesage, MacKinnon, McDonald, McIntyre, Pirie, Robertson, Roebuck, Taylor, Turgeon, Vaillancourt, Veniot, Wilson and Wood. (32).

Canadian Trade Relations

The Honourable Senators Ballantyne, Bishop, Blais, Buchanan, Burchill, Calder, Campbell, Crerar, Daigle, Davies, Dennis, Dessureault, Duffus, Euler, Fogo, Gouin, Haig, Howard, Hushion, Jones, Kinley, MacKinnon, MacLennan, McKeen, McLean, Moraud, Nicol, Paterson, Pirie, Robertson, Turgeon and Vaillancourt. (32).

Public Health and Welfare

The Honourable Senators Blais, Bouchard, Bourque, Burchill, Comeau, David, Davis, Dupuis, Fallis, Farris, Ferland, Gershaw, Gladstone, Golding, Grant, Haig, Howden, Hurtubise, Jones, Lacasse, Leger, Lesage, McGuire, McIntyre, Paquet, Robertson, Roebuck, Stambaugh, Veniot and Wilson. (30).

Civil Service Administration

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

Public Buildings and Grounds

The Honourable Senators Dessureault, Fafard, Fallis, Haig, Lambert, Lesage, McGuire, Paterson, Quinn, Robertson, Sinclair, and Wilson. (12).

All which is respectfully submitted.

A. B. Copp,
Chairman.

THE SENATE

Thursday, September 22, 1949

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

Prayers and routine proceedings.

CRIMINAL CODE BILL

SUSPENSION OF RULES

On the Orders of the Day:

Hon. Mr. Robertson: Honourable senators, before the Orders of the Day are proceeded with, may I draw attention to the fact that since yesterday, when I moved that the Criminal Code bill be set down for second reading on Tuesday next, I have been advised that the bill is urgent, as it has a bearing on Newfoundland's entry into confederation, and it is desirable that it receive Royal Assent by October 1. Under the circumstances I am going to ask, with leave of the Senate, that we proceed with second reading today, so as to expedite its passage. I have arranged for a thorough explanation of the bill this afternoon, and our Parliamentary Counsel advises me that the matters with which it deals are not likely to be controversial. Therefore I move, with leave of the Senate:

That Rule 25 (b) be suspended; that the motion passed by the Senate yesterday, "That Bill D, entitled an Act to amend the Criminal Code be placed upon the Orders of the Day for second reading on Tuesday next" be rescinded.

Hon. John T. Haig: Honourable senators, I am in entire agreement with this proposal, but I should like to make one suggestion to the honourable leader of the house. It is that when the bill receives second reading it be referred to Committee of the Whole instead of to a standing committee. A good many of us who formerly served in provincial legislatures like to have bills dealt with in Committee of the Whole, because that procedure gives every member a chance to ask questions and enter into the discussion. I do not think there is anything in the bill itself that would require a reference to a standing committee.

Hon. Mr. Robertson: I am quite agreeable to the suggestion of my honourable friend. I might add that it would expedite passage of the bill, because at present our standing committees have not yet been set up.

The motion was agreed to.

SECOND READING

Hon. Mr. Robertson with leave of the Senate moved the second reading of the bill.

He said: Honourable senators, I have asked the honourable gentleman from Toronto (Hon. Mr. Hayden) to explain the bill.

Hon. Salter A. Hayden: Honourable senators, though this is an important bill it is a simple one, containing only eight sections. Seven of them deal with the relationship of the Criminal Code as it now stands to Newfoundland, and the last section purports to postpone the coming into force of new Part XVI, as enacted in the Statutes of 1948. I shall have something to say about that later.

I would point out first that sections 1 to 6 of the bill are for the purpose of relating to Newfoundland the Criminal Code provisions with respect to courts and magistrates, in preparation for the day, which will be reasonably soon, when the Code is proclaimed as part of the criminal law applicable to the new province.

It will be recalled that last session we passed an Act, which is Chapter 1 of the Statutes of 1949, approving of the terms of the agreement for union with Newfoundland. Section 18 of the Terms of Union of Newfoundland with Canada provides for the continuation of laws in force in Newfoundland, until they are repealed, abolished or altered by the Parliament of Canada or by the legislature of the province of Newfoundland, according to the authority of such bodies. Subsection 2 of that section reads as follows:

Statutes of the Parliament of Canada in force at the date of Union, or any part thereof, shall come into force in the Province of Newfoundland on a day or days to be fixed by Act of the Parliament of Canada or by proclamation of the Governor General in Council issued from time to time, and any such proclamation may provide for the repeal of any of the laws of Newfoundland that

(a) are of general application;

(b) relate to the same subject-matter as the statute or part thereof so proclaimed; and

(c) could be repealed by the Parliament of Canada under paragraph one of this Term.

I think we can safely say that the Parliament of Canada contemplates proclaiming within a reasonably short time that the Criminal Code is the law of the Province of Newfoundland. In preparation for that, we must amend our definition sections and various portions of the Code, to make them apply to that province. For instance, Part XVI of the Code deals with the functions of a magistrate to summarily try an accused person with or without his consent. One may ask what magistrate in the Province of Newfoundland has that power. Subsections 2 and 3 of section 1 of the bill define "Court of Appeal", so far as it may apply to Newfoundland under the Criminal Code. Section 2 specifies the court to which an appeal may be taken from a summary conviction, as and when Newfoundland becomes subject to the criminal law of Canada. By sections 3, 4, 5 and 6 of the bill it is proposed to amend the Code relating to the powers of magistrates, under certain circumstances, in the

province of Newfoundland. These sections define the term "magistrate", and fix the jurisdiction of magistrates who have particular power under Part XVI of the Code to try a variety of offences with the consent of an accused, magistrates with additional jurisdiction to try certain classes of offences of a general nature, and magistrates who have absolute power to try an accused person without his consent.

Section 7 differs somewhat from the other sections of the bill. Honourable senators will recall that under the Statute Law Amendment Bill, passed at the last session of parliament, the penitentiary at St. John's is to serve both as a penitentiary and a prison. In order to clarify the matter under our Penitentiary Act, by section 37 of chapter 6 of the Statutes of 1949 we provided as follows:

Notwithstanding anything in the Penitentiary Act, 1939, chapter six of the statutes of 1939, every person who is sentenced by any court in Newfoundland to imprisonment for life, or for a term of years, not less than two, shall be sentenced to imprisonment in the penitentiary operated by the province of Newfoundland at the city of St. John's for the confinement of prisoners . . .

Section 1056 of the Criminal Code provides that a person who is sentenced to less than two years may not be sent to a penitentiary. Because Newfoundland desired, for the present in any event, that prisoners, whether sentenced for more than two years, or less, be sent to this one institution, it became necessary to amend section 1056 of the Criminal Code, under which a "penitentiary" is defined as a place to which prisoners may be sent for confinement for two years or more, but not for less than two years. Therefore, section 7 was inserted in the present bill. It provides that the word "penitentiary" as used in section 1056 of the Code does not include the penitentiary mentioned in section 37 of The Statute Law Amendment (Newfoundland) Act, to which I have just made reference. As I have said, the obvious purpose is to harmonize our section 1056 of the Code with section 37 of The Statute Law Amendment Act passed last session, so that for the present, and until such time as Newfoundland may see fit to make some change in its provision for confinement of prisoners, the courts will be able to send convicted persons, no matter what may be the length of their sentences, to this institution at St. John's, Newfoundland.

Hon. Mr. Leger: Is it a penitentiary?

Hon. Mr. Hayden: Is has been used both as a penitentiary and a jail; but under the amendment which we made last year, coupled with section 1056 of the Criminal Code, it would not be possible for this institution to be used for both purposes.

Hon. Mr. Leger: When a person is sentenced to imprisonment for less than two years, is it stated in the sentence that he is to go to a penitentiary or to a prison?

Hon. Mr. Hayden: If this amendment should pass, it will not matter what the place of detention is called; but if the amendment is not passed, no matter what a judge may say in passing sentence, a prisoner sentenced to less than two years could not, having regard to the provisions of section 1056 of the Code, be sent to a penitentiary.

Hon. Mr. Leger: It is not the same thing to be sentenced to a prison and to a penitentiary.

Hon. Mr. Hayden: Oh, no; it is entirely different.

Hon. Mr. Leger: Well, then, it seems to me that the Act should prescribe that a prisoner is to be sent to a prison, if the term is for less than two years, instead of to a penitentiary.

Hon. Mr. Hayden: You mean it should be stated in—?

Hon. Mr. Leger: In the sentence.

Hon. Mr. Hayden: I think the implications of section 1056 of the Code are sufficient for the purpose. Let me read it.

1056. Every one who is sentenced to imprisonment for a term less than two years shall, if no other place is expressly mentioned, be sentenced to imprisonment in the common jail of the district, county or place in which the sentence is pronounced, or if there is no common jail there, then in that common jail which is nearest to such locality, or in some lawful prison or place of confinement, other than a penitentiary, in which the sentence of imprisonment may be lawfully executed.

Hon. Mr. Leger: Yes. Well, the words there are "other than a penitentiary".

Hon. Mr. Hayden: Yes, that is so; otherwise it would not be necessary to seek this amendment. You cannot send to a penitentiary a man who is sentenced to less than two years' imprisonment, so that it becomes necessary, as I have said, to vary the terms of the section to the extent that this one place of confinement, this institution at St. John's, Newfoundland, can be used for both purposes.

Hon. Mr. David: What will it be called?

Hon. Mr. Hayden: I do not think it is called a penitentiary; I think the word used is "institution".

Hon. Mr. David: I think we should know.

Hon. Mr. Baird: I think it is called a penitentiary.

Hon. Mr. Kinley: Would it become a federal institution?

Hon. Mr. Hayden: The provisions of the Penitentiary Act would apply, so in that sense it would be regarded as a federal institution.

Hon. Mr. Leger: The difference is that a man who is sentenced to two years or less in Newfoundland will be committed to a penitentiary, whereas in the other provinces a man sentenced to a similar term is committed to a prison, which is not the same thing at all.

Hon. Mr. Hayden: That is right. A man sentenced to a term of less than two years, in any province except Newfoundland, may not be confined to a penitentiary.

Hon. Mr. Leger: Yes.

Hon. Mr. Hayden: If the amendment to section 7 becomes effective, the institution maintained by the Newfoundland government will continue to be used for the confinement of prisoners whether sentenced to a term of less or more than two years. All sentences will be served in this one institution.

Hon. Mr. Leger: Which is a penitentiary.

Hon. Mr. Hayden: Yes, it is in fact a penitentiary.

Hon. Mr. Roebuck: In order to determine who should pay the cost, it is important to know whether it is a penitentiary or an ordinary place of detention.

Hon. Mr. Hayden: As the honourable senator from Newfoundland (Hon. Mr. Baird) has said, and as I see in the explanatory notes, it is sometimes referred to as a penitentiary.

Hon. Mr. Farris: Would these minor offenders be kept separate and apart from those who in the strict sense of the term are penitentiary prisoners?

Hon. Mr. Hayden: I am not in a position to answer that question.

Hon. Mr. Baird: The answer is no. Irrespective of whether they are serving life sentences or sentences of less than two years, the prisoners are kept more or less together.

Hon. Mr. Roebuck: In Ontario if a man is sentenced to serve six months' imprisonment, he is sent to a provincial institution and the province pays the per diem cost. If, on the other hand, he is sentenced to a term of more than two years, he is committed to Kingston penitentiary, and the cost is borne by the federal government. There is some confusion here. If a man is sentenced to serve six months at this institution in St. John's, which in fact is a penitentiary, will the federal government pay the cost? Or, vice versa, if he is sentenced to a term of two or more years, will the province of Newfoundland pay the cost? How is it to be worked out?

Hon. Mr. Hayden: This institution is now used by Newfoundland for the confinement of all prisoners, no matter what the length of their sentence may be. In order to get our criminal laws functioning in Newfoundland, it is proposed to utilize this institution in exactly the same manner as it has been used in the past.

Hon. Mr. Roebuck: Then the Province of Newfoundland will continue to pay the cost?

Hon. Mr. Hayden: I cannot answer that question. I should think that the Newfoundland legislators will be sufficiently alert to recognize that elsewhere in Canada a sentence of two years or more is served in a penitentiary; and realizing that the maintenance of a penitentiary is a federal matter, they might charge the Dominion Government for maintenance of prisoners serving two or more years. As I understand it, this amendment is purely a matter of convenience, to help facilitate the commencement of our general statute law and, particularly, the Criminal Code, as it applies to Newfoundland.

Hon. Mr. Roebuck: Can we not assume that this matter will be taken care of in due course by the proper authorities?

Hon. Mr. Hayden: Yes, I should think so. This machinery is for the purpose of facilitating the operation of the Criminal Code in Newfoundland. I think we can assume that the Government of Newfoundland will be sufficiently interested and alert, to see to it that in Newfoundland the same direction is given to matters affecting the confinement of prisoners, as is given in the other provinces of Canada.

Hon. Mr. Crerar: May I ask my honourable friend if the administration of this institution will remain with the province of Newfoundland?

Hon. Mr. Hayden: I cannot give an authoritative reply to that question, but for the present I would say that it would. However, I should think that the federal government would soon have to exercise some sort of supervision over this institution, because the statutory authority is in the hands of the federal government.

Hon. Mr. Farris: It is under the provisions of the Penitentiary Act.

Hon. Mr. Hayden: Yes.

Hon. Mr. Fogo: Did not the terms of agreement make some provision for that?

Hon. Mr. Hayden: All the agreement provides for is the bringing into force of the general statute law of Canada.

Section 8, which is the last section, is a matter of general application. Honourable

senators will recall that in 1948 a considerable number of amendments to the Criminal Code were passed. On October 1, 1948, all the amendments were to go into effect, with the exception of section 35, which introduced to the Criminal Code a new Part XVI. The present sections of Part XVI were not merely revised, they were rewritten. The position of magistrates and their jurisdiction was completely changed. The new Part XVI will not become law until October 1, 1949, and this amendment is to prevent it from becoming law until a day to be fixed by proclamation of the Governor in Council. There have been requests from various provinces to this effect. Under Part XVI, as passed in 1948, the jurisdiction and the functions of magistrates were changed. The original provisions of Part XVI provided for various kinds of magistrates with varying powers, and set out certain offences which any magistrate could try with the consent of the accused. It also set out other types of offences which certain other magistrates, as defined in the Code, could try with the consent of the accused. Then, too, there were some offences which only certain magistrates had absolute power to try without the consent of the accused. The purpose of the amendments of 1948 was to do away with these distinctions and different types of magistrates, and to define the jurisdiction of a magistrate. It was also desired to abolish the absolute power that certain magistrates had to try certain offences without the consent of the accused. It was felt that this step would help simplify the somewhat complicated procedure.

However, a number of provinces, particularly Nova Scotia, New Brunswick, Ontario and British Columbia, have made representations that the institution of Part XVI should be further delayed. Having regard to the fact that all magistrates are not equally qualified, it is felt that the consent provision contemplated by Part XVI—which is very wide—should not be conferred indiscriminately upon all magistrates. Under the new Part XVI there is no distinction or difference of grade; it simply provides that if you are a magistrate and have the consent of the accused you are empowered to deal with a wide variety of offences. Some of the provinces felt that their magistrates are not sufficiently qualified to try all types of offenders. Another objection is that abolition of the absolute jurisdiction now enjoyed by certain magistrates would have the effect of crowding the higher courts with many cases which should be dealt with by magistrates. Under the new Part XVI the accused, no matter how trivial his alleged offence, could refuse his consent, and if he did that he would have to go for trial before a higher court, such as, perhaps, a County court. Were this to happen in many cases the higher courts might become bogged down, with the result that serious delays would occur in the bringing of accused persons to trial. So the request from certain Attorneys General is, not that Part XVI be repealed, but that the bringing of it into force be delayed for a further indefinite period. In conformity with this request, section 8 of the bill provides that Part XVI of the Code shall come into force, not on the 1st of October, 1949, but on a day to be fixed by proclamation of the Governor in Council.

Hon. Mr. Roebuck: What is expected to be gained by delay?

Hon. Mr. Hayden: The provinces which have requested the delay claim they still have to do some tuning up—if I may put it that way—of their magisterial system. That is easily understood, because not all magistrates are lawyers, and not all of them are as yet qualified by training or experience to try persons accused of some of the charges that could, with the consent of the accused, be dealt with by a magistrate under the new system. In some provinces the qualification of magistrates is a matter that would need careful consideration before the new system is adopted.

Hon. Mr. Farris: Honourable senators, after listening to my honourable friend's explanation, and the discussion, it occurs to me that a little thought might be given to the principle involved here. Under this provision a Newfoundlander convicted of a relatively trivial offence, such as common assault or violation of a traffic law, might find himself incarcerated with persons convicted of armed burglary and heinous crimes.

Hon. Mr. Euler: Apparently that has been happening right along.

Hon. Mr. Farris: Perhaps that is so, and it may be that the present practice should be continued; but I think we should have an appreciation of what this provision means.

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

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Robertson, the Senate went into committee on the bill.

Hon. Mr. Sinclair in the Chair.

Sections 1 and 2 were agreed to.

On section 3—"magistrate":

Hon. Mr. Kinley: Honourable members, Newfoundland is now usually referred to as one of the Maritime provinces. At Dorchester,

New Brunswick, there is a federal penitentiary which I understand serves the Maritime provinces, and I should like to know whether a Newfoundlander convicted of an offence, for which the judge felt he should be sent to penitentiary, could be sentenced to serve his term at Dorchester.

Hon. Mr. Hayden: Would my honourable friend leave that question until we come to section 7, which deals with penitentiaries?

Hon. Mr. Kinley: Very well.

Section 3 was agreed to.

On section 4—summary trial in certain cases:

Hon. Mr. Roebuck: Am I right in understanding that once this bill is given third reading the Criminal Code will be amended in the nine provinces where it is now in force, but that it will not apply to Newfoundland until it is so proclaimed?

Hon. Mr. Hayden: That is right.

Hon. Mr. Roebuck: Why should we not make the amendment of the Code simultaneous with proclamation of the Code for Newfoundland? All the amendments are designed for application to Newfoundland, and it seems to me that at least we should have some assurance as to when it is intended to proclaim the law there.

Hon. Mr. Hayden: It will be necessary to hold certain meetings in Newfoundland for the instruction and briefing of magistrates and other judicial officers there upon the Criminal Code as a whole. I am advised that it is intended to do this early in October, and that shortly afterwards the Code will be proclaimed in the new province, as provided for in chapter 1 of the statutes passed last session. My information is that the proclamation will be made before the autumn is over.

Hon. Mr. Roebuck: What is the criminal law in Newfoundland at present? Is it the criminal law of England, as modified by the local legislature?

Hon. Mr. Hayden: I would prefer to have that question answered by a senator from Newfoundland.

Hon. Mr. Baird: The Newfoundland law is, I think, undoubtedly based upon the English law.

Hon. Mr. Roebuck: Is there a Criminal Code in force in Newfoundland?

Hon. Mr. Baird: I am not sure of that. The Newfoundland Minister of Justice is in the gallery, and with permission of the house I will consult him. I should be able to have an answer to the question within a few minutes.

Hon. Mr. Roebuck: I do not want to make a nuisance of myself; I just asked the question for general information.

Hon. Mr. Baird: I should like to have the privilege of answering the question.

Section 4 stands.

Sections 5 and 6 were agreed to.

On section 7—penitentiary.

Hon. Mr. Hayden: Now I come to the question asked a moment ago by the senator from Queens-Lunenburg (Hon. Mr. Kinley). The best answer I can give to the question is this: a person sentenced to a term, which in the ordinary sense is a penitentiary term, must go to a penitentiary in the province in which he is sentenced, but the Penitentiary Act provides that, for various reasons, prisoners may be transferred from one penitentiary to another, not necessarily within the province.

Hon. Mr. Haig: I think I can assist the promoter of this bill by telling him of conditions in Manitoba. There we have a penitentiary, and of course as we are a law-abiding people there are many empty cells. Our trouble is the frequent transfer of prisoners from Ontario to the penitentiary in our province.

Hon. Mr. Aseltine: I am told that when they get there you have trouble keeping them.

Hon. Mr. Haig: Yes, they try to get back to Ontario.

Hon. Mr. Paterson: I should like to ask the senator from Toronto (Hon. Mr. Hayden) a question. Is it not the intention of this section of the bill to legalize what is now the practice in the province of Newfoundland?

Hon. Mr. Hayden: Yes.

Hon. Mr. Paterson: I understand that this provision is necessary because what is now being done is illegal.

Hon. Mr. Roebuck: Mr. Chairman, we have had a timely protest from the senator from Vancouver South (Hon. Mr. Farris). I think we should have some assurance that this potential mixing of offenders will not be continued. While at the present moment we are prepared to amend the law sufficiently to cover what has been going on, we have some responsibility, and should be assured by the authorities that if non-segregation of prisoners in Newfoundland, is to be permitted, it must be only as a temporary expedient. I think it would be well to call this to the attention of the authorities.

Hon. Mr. Howden: I am only a medical doctor, but like my friend from Thunder Bay

(Hon. Mr. Paterson) I take it that the purpose of this section is to make the Canadian law apply to the province of Newfoundland.

Hon. Mr. Hayden: Yes, but so far as section 7 is concerned, we are making an exception. Newfoundland has at the present time one penal institution, situated at the city of St. John's, where prisoners, irrespective of their term of imprisonment are confined. The purpose of the section is to permit that practice to continue. With that exception the Criminal Code and other general statute law becomes the law of Newfoundland. Without this provision prisoners could not legally be sent to that institution for a term of less than two years.

Hon. Mr. Paterson: But is that not the law now?

Hon. Mr. Hayden: No. The law of Newfoundland at the present time is that both classes of prisoners may be sent to such an institution; therefore, section 7 would perpetuate the present legal position with respect to the confinement of prisoners. This is at variance with our conception of segregation of long and short term offenders. It is also at variance with our law for the treatment of prisoners. The question is whether this measure, which is for the purpose of getting things going, is acceptable in its present form by this body, in view of the fact that our legislators and the government have shown strong evidence of a determined policy to segregate the two classes of prisoners.

Hon. Mr. Euler: Is this the only institution of its kind in Newfoundland?

Hon. Mr. Hayden: Apparently it is.

Hon. Mr. Aseltine: Can you tell us how long this practice has been going on?

Hon. Mr. Hayden: I would think ever since the institution has been in existence.

Hon. Mr. Farris: I should think the point raised by the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) should be given some consideration. Our powers here are largely negative; we can stop legislation, but when we make amendments we have no assurance that they will get beyond this house. I think we are obligated to continue for the present what has been the practice in Newfoundland; but I am reluctant to accept the principle that it be continued indefinitely.

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Farris: I would suggest that we amend subsection (e) of section 7 by adding to it the words "This provision shall remain in force for a period of five years". If at the end of that time there is reason for its continuation, we at least will have control of it. As it now stands we have no control.

Hon. Mr. Roebuck: If my friend will move an amendment, I will second it.

Hon. Mr. Aseltine: I think five years is too long.

Hon. Mr. Roebuck: Why not make it three years?

Hon. Mr. Hayden: I think five years is necessary if the system is to be established and new buildings are to be erected.

Hon. Mr. Quinn: Make it a period not exceeding five years.

Hon. Mr. Farris: The suggestion has been made that the amendment read as follows: "After '(e)' insert the words 'until January 1, 1954' ". I would move the amendment in that form.

Hon. Mr. Kinley: May I ask whether this legislation will change the status of this institution, in that it will be a federal institution, a penitentiary of Canada?

Hon. Mr. Hayden: No: it is given the dual status of a penitentiary and a prison.

Hon. Mr. Kinley: That is very important. A prison is a provincial institution; a penitentiary, I take it, is a federal institution. When one applies for permission to enter, let us say, a college, or seeks admission to the United States, a question commonly asked is: "Have you ever been in a penitentiary?". Now, if one had been sent to this prison after conviction under, for example, the Liquor Act, it could be said, "This fellow has been in the penitentiary". I do not like the idea of labelling a man who was imprisoned under those circumstances as having been in a penitentiary.

Hon. Mr. Hayden: That situation has existed in Newfoundland for many years, and if by this legislation it is continued for the present, it is with the approval of the representatives of that province.

Hon. Mr. Kinley: Well, the responsibility now is ours; and for that reason I say that a period of five years is too long.

Hon. Mr. Hayden: It is not five years, because the date provided for is January 1, 1954.

Hon. Mr. Kinley: That is a pretty long time.

The amendment was agreed to.

Section 7, as amended, was agreed to.

On section 8—Coming into force.

Hon. Mr. Roebuck: I think the indefinite postponement provided for under this section

is a little unsatisfactory. We studied part XVI when it was before us a year ago, and I think all of us were in favour of it. I would far rather have the bill before us again to eliminate difficulties, if there are any, or have it put into force at some specific time, than defer it in this indefinite way,—perhaps to bury it forever, perhaps to bring it shortly into force.

Hon. Mr. Hayden: The purpose of this is to provide time to meet with the various provinces that have made requests for further delays, with a view to reaching common ground on the working out of this legislation. There is no idea of burying it, in fact at the present time the Criminal Code is being completely revised, and very shortly we shall have an opportunity to review not only this particular part, but the Code as a whole.

Hon. Mr. Haig: May I recall a personal experience? Years ago the old system of appointing magistrates was in force in the province of Manitoba. There was a magistrate in practically every town in the province.

Hon. Mr. Aseltine: Justices of the Peace.

Hon. Mr. Haig: There was practically unanimous agreement in the legislature that that system was not in the interests of good administration. Legislation was passed providing for, I believe, ten districts, and well-qualified men were appointed to act in those districts and to travel around where they were required, and except in a very limited class of cases, justices of the peace ceased to function. This system, which of course had nothing to do with the Code, took some time to put into full operation; there were difficulties to be ironed out.

Hon. Mr. Roebuck: In what year was this legislation passed?

Hon. Mr. Haig: The present Mr. Justice Major, who was responsible for it, became Attorney-General in 1928, and I left after the session of 1935, so it was during that period of time.

Hon. Mr. Roebuck: About twenty years ago.

Hon. Mr. Haig: It was very fortunate that we postponed putting the system into full effect until all the details had been worked out, because a lot of difficulties arose. Some justices of the peace did not want to resign, and in general there was a great deal of trouble. But the system has worked out perfectly. There have been no complaints, either from the main body of citizens or from the practising lawyers. If we can persuade backward provinces like Ontario, British Columbia and Nova Scotia to introduce an up-to-date magistracy system, it will be a very great thing for Canada.

Hon. Mr. Roebuck: My friend is in a reminiscent mood, and perhaps I shall be pardoned for following suit. I became Attorney-General of Ontario in 1934, and one of the first acts for which my administration was responsible was the reform of the magistracy of our province. I found in Ontario that conditions were the same as those my honourable friend has referred to as then existing in Manitoba. We had a system of local magistrates; for the most part they were not lawyers. Often they had their offices in the municipal buildings, from which they ruled their local principalities, not infrequently in close association with the chief of police—who also perhaps was the only policeman—and the municipal authorities. All being in one building, they formed a governing clique in that little locality. People accused of offences were known to go there, not for trial, but to find out what was going to be done with them. Accentuating the evils of the situation was the fee system. The magistrate was paid by fees levied against accused persons; when he found the victim guilty he got something out of the trial, and when he acquitted him he worked for nothing. I would not say anything derogatory of these magistrates; I have no doubt that they were superior to little monetary considerations, but they were not given credit for their high-mindedness.

Hon. Mr. Quinn: They found people guilty quite often!

Hon. Mr. Roebuck: They found them guilty fairly frequently.

Hon. Mr. Aseltine: "If you are not guilty why are you here?"

Hon. Mr. Roebuck: The evil lay chiefly in the attitude of the local people towards that governing system, for the magistrate was not credited with being sufficiently disinterested to find a man guilty or to acquit him without regard to personal considerations. In the province of Ontario, that "backward province" to which my honourable friend has referred, the territory was divided into seventeen districts, usually with two or three magistrates to a district. As in Manitoba, they were itinerant magistrates.

Hon. Mr. Aseltine: Were they lawyers?

Hon. Mr. Roebuck: Except those who had had experience. During my period of office I refused to recommend for appointment to the magistrates' bench anybody who was not a lawyer, and I "got away with it" during the time I was in charge. I believe that system has been adhered to, not absolutely, but fairly well, during the intervening years.

In making such a reform the great difficulty was to find some person to whom complaints could be made in a locality where

there was no resident magistrate. It was necessary, therefore, to also reform our system of justices of the peace. In the past that ancient and honourable title had been sought by many people, because it gave them the right to swear affidavits and the right to add to their letterhead the rather high-sounding initials "J.P.". I found records of the appointment in Ontario of no less than 10,000 justices of the peace. It was not known whether they were alive or dead, and there was no record of what they had done. Therefore, by order in council, I discharged from office some seventy-nine magistrates and 10,000 justices of the peace at one sitting. I was reminded of the King of France who wished that all his enemies had just one neck, so that he could sever their heads with one blow. We then proceeded to appoint itinerant magistrates from the best men available. We abolished the fee system, and put the magistrates on a stipendiary basis. In each one of these localities we appointed the best non-legal men we could get. They were to act as justices of the peace, hear complaints, issue summonses, subpoena witnesses and, if necessary, prepare cases for trial on the approval of the magistrate. That system has done almost untold good in the province of Ontario.

These humble magistrates' courts are the most important ones in our communites. They do not deal with important matters of finance and property, but they enter into the homes and lives of our people as do no other courts. In the past it was thought *infra dig* for a lawyer of standing to appear in police court, but that is not the case today. The courts have taken on a fuller appreciation of their own dignity, and today's system is much the same as the one which I devised in 1934. The Ontario magistrates of today are well-informed men, and I think each of them is quite capable of carrying out Part XVI of the Code as enacted some time ago. Probably the magistrates in such provinces as Manitoba are not so well educated as those in Ontario—

Hon. Mr. Haig: Ontario did not ask for any delay.

Hon. Mr. Roebuck: No; but if delay is required in other provinces, I suppose we should pass this section. However, it should only be accepted on the understanding given by the honourable senator from Toronto (Hon. Mr. Hayden), that this is not an indefinite delay, and that the subject matter will come before us again.

Hon. Mr. Horner: What arrangement did you make for paying the representatives of the Crown? I refer to those men who prosecute cases for the Crown throughout the districts.

Hon. Mr. Roebuck: In Ontario most of them were paid on a fee basis. Had I remained Attorney-General for a longer period, I think we would have abolished the fee system completely so far as they were concerned too. I think it is high time that this reform took place in Ontario and other provinces as well. I do not like an official of the court being interested in the decision as to whether or not a man is guilty.

Hon. Mr. Aseltine: That is not what the honourable senator from Blaine Lake (Hon. Mr. Horner) meant. He was referring to cases in Western Canada that were tried by the agents for the Attorney-General. They probably attended preliminary hearings and got paid when they took cases on. In many instances the cases should not have been tried at all. The representatives got paid for each case they took to the higher court.

Hon. Mr. Roebuck: I do not think we have that trouble in Ontario. We still pay Crown-Attorneys by fees.

Hon. Mr. Aseltine: For each case they handle?

Hon. Mr. Roebuck: In some of the outlying districts we still pay by fees, but most Ontario Crown-Attorneys are paid stipends. We are at least working in that direction, and I think we have made some progress in recent years. I hope that the time will come when the fee system will be abolished completely as regards Crown-Attorneys as well as magistrates.

Hon. Mr. Horner: I think that in every province they should be paid a salary. The reason I asked my question was that I recalled a case that completely shocked me. A neighbour of mine was working for a certain company in our village. Each director of that company was accused of illegally taking company funds. It seems that they had not consulted the shareholders of the company, and there was a shortage of funds. This neighbour of mine, the father of six little girls, was subsequently arrested. I went bail for him, and while awaiting trial, which was set over for six months, he received an opportunity to get work on Vancouver Island. He came to me and asked me if he might take the job. I said, "Certainly, I am not watching you. If you can get work, as far as I am concerned, you can go to Mexico." I helped him to get away, and then I spoke to the officials. I said, "Now, this man is really not guilty. Why bring him back?" As the result of my conversations I learned that if this man returned to stand trial it would mean $50 to the representative of the Crown. And I was told that he needed the money. I was shocked

to think that this poor man would be forced to travel all the way from Vancouver Island so that the prosecutor could earn $50. After paying the amount, I persuaded them to leave him alone. I maintain that these representatives should be paid a salary.

Hon. Mr. Fogo: It is not my intention to delay the house, but in the light of the question which arose a few minutes ago regarding the criminal law of our new province, I asked to have sent to my desk the Consolidated Statutes of Newfoundland. Even a most cursory examination would indicate that there may be some difficulties in applying the Canadian magisterial system to conditions on the island. I am sure honourable senators would be interested in a brief statement as to the criminal law there. It is set out in a general Act entitled "Of the Application of the Criminal Law of England and of Pardons", being Chapter 95 of the Consolidated Statutes of Newfoundland, 1916, Vol. II. Section 1 reads:

> In all cases not provided for by local enactment the law of England, as to crimes and offences, shall be the law of this Colony, so far as the same can be applied; subject to such amendments, alterations, and further enactments of the Imperial Parliament as may hereafter be made . . .

That is the general application of the common law and statute law with reference to criminal offences in Newfoundland. I find in the index of the Consolidated Statutes that there are a number of local Acts dealing with special cases, such as perjury, public processions, lotteries, slander, and the protection of animals. There is also an Act relating to the jurisdiction, power and procedure of stipendiary magistrates and justices of the peace in dealing with certain offences. There would appear to be special provisions designed to meet the circumstances in a country having twelve or thirteen hundred small settlements scattered over a long coastline, in which there would not be available qualified stipendiary magistrates in the sense that we know them. The island's statutes provide that a justice of the peace may try persons charged with petty offences, which include such things as the stealing of codfish, the causing of damage to minor property, the injuring of animals, and so on, where the amount involved does not exceed $20 or some other small specified sum.

I have brought this to the attention of the committee because I thought it might answer a question in the minds of some senators. Newfoundland is not to be classed as a backward province at all, and there may be good reason for its delay in adopting the provisions of Part XVI of the Code.

Hon. Mr. Roebuck: The honourable gentleman from Blaine Lake (Hon. Mr. Horner) expressed the hope, though not in these words, that the time would come when, for the prosecution of criminal cases, Crown Attorneys would be paid salaries rather than fees based upon the success or failure of the prosecution. This suggests another thought to me. Our criminal law has come down to us from very rough times. Over the years we have now and then endeavoured to humanize it, both as to its penalities and its application. I hope the day will come within the lifetime of most of us, when the State will compensate counsel for the defence as well as counsel for the prosecution, particularly in major cases. As things are now a great injustice may be done by placing a person under the heavy financial strain of defending himself against a charge of which he is entirely innocent. Unless he is a pauper, an accused person has to pay not only his lawyer's fees, but the fees of witnesses and various other costs involved in building up a defence, including the cost of providing necessary exhibits, and not a few men have been financially ruined in this way.

I do not know just how present conditions in this respect should be modified. If someone asked me what I would do about it, I could not answer off-hand, but I do say that we should be thinking about this feature of our criminal procedure. Whether an accused person is innocent or guilty, the adequacy of his defence should not be dependent upon his financial position. Today if he has means he can make certain that every possible defence will be brought before the courts on his behalf, but if he is poor he may sometimes get short shrift, and perhaps be convicted without having the charge against him fully investigated. As I say, I hope the time will come when we shall pay public defenders on the same basis as public prosecutors.

The Hon. the Chairman: Honourable members, we are considering section 8, which refers to the date when the Act shall come into force, but the discussion has been wide of this. I would ask honourable members to confine themselves to the section under consideration.

Hon. Mr. Roebuck: Section 8 provides for the time of application of the Act, which deals with the very things we have been discussing, so I would respectfully suggest that our discussion has been entirely in order.

Hon. Mr. Burchill: Honourable members, I would like some member of the legal fraternity to clear up for me a point in connection with section 8. The section says that the Act shall come into force on the 1st of November, 1948, but the explanatory note on the opposite page states that the new part of the Act was to come into force on the 1st of October 1949.

Hon. Mr. Fogo: Section 8 repeals section 44 of chapter 39 of the Statutes of 1947-48, which reads as follows:

This Act shall come into force on the first day of November, one thousand nine hundred and forty-eight, except section thirty-five thereof which shall come into force on the first day of October, one thousand nine hundred and forty-nine.

For this section there is substituted a new section 44 which provides that section 35—that is new Part XVI of the Code—shall come into force on a date to be fixed by proclamation of the Governor in Council.

The section was agreed to.

On section 4 (reconsidered)—summary trial in certain cases:

Hon. Mr. Baird: Honourable members, I have a reply to the question raised by the honourable gentleman from Toronto-Trinity (Hon. Mr. Roebuck). I am informed that at present the English criminal law applies in Newfoundland. Any criminal statute passed in England becomes law automatically in Newfoundland within a year, unless the local legislature passes some law to the contrary.

Section 4 was 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.

EXCHEQUER COURT BILL

SECOND READING

Hon. Mr. Robertson moved the second reading of Bill B, an Act to amend the Exchequer Court Act.

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

Hon. A. K. Hugessen: Honourable senators, this bill was given second reading in this chamber in the spring of this year, but fell by the wayside owing to the dissolution of parliament, which took place shortly thereafter. It again falls to my lot to explain it to this honourable chamber. It is a departmental measure which I think is unexceptionable, and brings into effect a number of desirable changes in the present Exchequer Court Act.

The first proposed change affects Section 18 of the Act. The present section is rather unusual. It reads as follows:

The Exchequer Court shall have exclusive original jurisdiction in all cases in which demand is made or relief sought in respect of any matter which might, in England, be subject of a suit or action against the Crown, and for greater certainty, but not so as to restrict the generality of the foregoing terms, it shall have exclusive original jurisdiction in all cases in which the land, goods or money of the subject are in the possession of the Crown, or in which the claim arises out of a contract entered into by or on behalf of the Crown.

I direct the attention of honourable senators particularly to these words:

. . . in all cases in which demand is made or relief sought in respect of any matter which might, in England, be subject of a suit or action against the Crown . . .

The effect of that is that an amendment to the laws of England, passed by the British parliament, enlarging or diminishing the right of action against the Crown, might affect the jurisdiction of the Exchequer Court without the parliament of Canada having anything to do with it. Obviously it is an old section, and under present circumstances is totally inapplicable. This bill purports to amend section 18 by omitting the reference to the laws of England, and providing simply that:

The Exchequer Court shall have exclusive original jurisdiction in all cases in which the land, goods or money of the subject are in the possession of the Crown, or in which the claim arises out of a contract entered into by or on behalf of the Crown.

That is the first proposed amendment.

Section 2 of the bill proposes to make three changes in the Exchequer Court Act, all of which I think will appeal to the judgment of honourable senators. First, it allows an appeal from an interlocutory judgment of the Exchequer Court to the Supreme Court of Canada in cases in which leave for such appeal has been granted by a Judge of the Supreme Court of Canada; second, it extends the period for appeal from a judgment of the Exchequer Court from thirty to sixty days, which corresponds with the usual period for appeal now allowed from the provincial courts to the Supreme Court; third, it varies and modernizes the procedure which an appellant must follow when he launches an appeal.

The procedure which the present Exchequer Court Act lays down for appeal is rather peculiar and very old-fashioned. It requires that the appellant shall give notice to the Registrar of the Supreme Court that he intends to appeal, and then the Registrar shall set the appeal down for hearing and shall notify the other party that the appeal has been launched. By the amendment now proposed the procedure would be modernized in this fashion: the appellant shall give notice of his appeal to the other parties in the case, and lodge his appeal with the Registrar, who then shall set the case down for hearing.

Hon. Mr. Leger: Before leaving section 4, will my friend state why it is necessary to

continue the practice of requiring a deposit of $50 as security for costs on an appeal?

Hon. Mr. Hugessen: I might answer my honourable friend by asking him "Why not?"

Hon. Mr. Leger: Well, it is not so in the Supreme Court or in the lower courts. Why should this practice be continued in the Exchequer Court?

Hon. Mr. Hugessen: I do not know why the practice is continued. This bill makes no reference to a change in that respect.

Hon. Mr. Leger: I know that it does not, but my friend has just said that the bill proposes to modernize the Act. I thought it might do away with the provision requiring a deposit of $50.

Hon. Mr. Hugessen: I have no instructions on that point. Perhaps the honourable senator wishes to move an amendment.

Hon. Mr. Leger: I thought the government would do it as a matter of grace.

Hon. Mr. Hugessen: I have no right to speak for the government in that matter.

Section 4 of the bill proposes to amend the Act, to permit the Judges of the Exchequer Court to make rules providing for the examination for discovery of departmental officers in cases in which the Crown is interested; it also proposes to allow the Judges of the Exchequer Court to make rules, as is common in the Civil Courts in the provinces, providing for the medical examination of parties who claim damages by reason of personal injuries.

That, honourable senators, is as simple an explanation as I can give of the bill.

Hon. A. W. Roebuck: Honourable senators, my friend has asked a question concerning the deposit of $50 for security of costs. I may be wrong, but as I understand it the costs are the fees of the solicitors who represent the Crown in such cases. For instance, if I sue the Crown in the Exchequer Court, I am required to put up $50 costs, and if I lose the case the officials of the Department of Justice put the $50 in their pockets. Is that not correct? That I understand is what takes place.

Hon. Mr. Beaubien: The solicitors?

Hon. Mr. Roebuck: The solicitors or counsel who appear for the Crown tax their costs against my client, and the $50 deposit pays their costs.

Hon. Mr. Hugessen: To the extent that that is possible.

Hon. Mr. Roebuck: To the extent that they are allowed costs. Usually the $50 is eaten up, and some more besides. On the other hand, if my client brings an action in the Exchequer Court and succeeds, does he tax costs against the Crown?

Hon. Mr. Leger: No.

Hon. Mr. Roebuck: I think not. I do not think the Crown pays costs in the Exchequer Court.

The bill that is before us is for the modernizing of the Exchequer Court Act. My friend is quite right in saying that some consideration should be given to the matter of the $50 deposit. The Exchequer Court should be on the same basis and should operate in the same way as all other courts. For instance, I can take a case before the Supreme Court of Ontario without making a deposit of any amount. I merely pay $2.50 to issue a writ.

Hon. Mr. Hugessen: But not to appeal, surely.

Hon. Mr. Roebuck: Yes, I can go to the Appeal Court in the province of Ontario without posting any security for costs.

Hon. Mr. Farris: Of course an application can be made requiring you to put up security for costs.

Hon. Mr. Roebuck: Only when the defendant is out of the jurisdiction, or there are some special reasons.

Hon. Mr. Farris: That is not so in the other provinces.

Hon. Mr. Leger: It is so in New Brunswick. Only where the party is out of the jurisdiction is security for costs granted.

Hon. Mr. Roebuck: I am fairly sure of my ground in saying that security for costs is not ordered within the province of Ontario.

Hon. Mr. Horner: If the person is out of the jurisdiction?

Hon. Mr. Roebuck: Oh, if he is out of the jurisdiction, that is another matter. That constitutes a special reason for giving security. Usually in an appeal to the Supreme Court of Canada application is made on behalf of the respondent that the appellant give security for costs, and ordinarily it is awarded in appeals to the Supreme Court of Canada from judgments of the Supreme Court of Ontario. But this is not a case of appeal at all; it has to do with the original trial of the action.

Hon. Mr. Hugessen: I am afraid I cannot have explained the matter with sufficient clearness. What I was dealing with was appeals from a judgment of the Exchequer Court to the Supreme Court.

Hon. Mr. Roebuck: I was wrong, then.

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

DEPARTMENT OF JUSTICE BILL

SECOND READING

Hon. Mr. Robertson moved second reading of Bill C, an Act to amend the Department of Justice Act.

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

Hon. A. K. Hugessen: Honourable senators, this is an exceedingly simple bill, consisting merely of two lines. It adds to the Department of Justice Act a new definition, as follows:

(1*a*) The Deputy Minister of Justice shall *ex officio* be the Deputy Attorney General.

I am advised that the reason for this amendment is that the Exchequer Court provides that, in certain matters relating particularly to actions against the Crown in the Exchequer Court, certain documents must be signed by the Attorney General or the Deputy Attorney General. In the absence of a definition of the Deputy Minister of Justice as Deputy Attorney General it has been necessary for the Minister of Justice himself, in his capacity of Attorney General, to sign all these papers. The object of inserting this new definition in the Act is merely to permit the Deputy Minister of Justice to act as Deputy Attorney General for the purpose of signing these papers in place of the Minister of Justice himself.

Hon. Mr. Leger: What difference is there between the "Minister of Justice" and the "Attorney General"?

Hon. Mr. Hugessen: In practice there is no difference, but I understand that certain statutes confer certain powers by name upon the Attorney General or the Deputy Attorney General without referring to them as Minister of Justice or Deputy Minister of Justice.

Hon. Mr. Roebuck: This simple little bill, to which I have no objection whatsoever, affects the present Deputy Minister of Justice, and therefore I think it is quite in order and apropos to point out that Canada for a good many years has enjoyed the services of a very eminent, highly qualified and most efficient Deputy Minister of Justice, in the person of Mr. F. P. Varcoe. He will be the gentleman who will receive the authority conferred by this section, and to no one could responsibility be given by this house with more confidence. Over the years I have quite frequently been in touch with this official. Before the dissolution of the last parliament I had the pleasure, satisfaction and edification of hearing him address the Committee on Civil Rights. A more thoroughly educated lawyer and a man more competent in his position could scarcely be imagined.

It is not often that we have an opportunity of recognizing the ability and erudition of civil service personnel such as we have at this moment, as a result of this bill which points directly to this official. I extend to him my congratulations, and I hope that he will live long to exercise the added authority which we are now giving him.

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

COMMITTEE OF SELECTION

CONCURRENCE IN REPORT

Hon. A. B. Copp moved concurrence in the report of the Committee of Selection.

Hon. Mr. Aseltine: Honourable senators, it is very important that this motion should be passed today, because the first organization meeting of the Divorce Committee will be held at 10.30 tomorrow morning.

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 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.

JOINT COMMITTEE ON LIBRARY

MESSAGE TO THE COMMONS

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

That a message be sent to the House of Commons by one of the Clerks at the Table, to inform that house that the Honourable the Speaker, the Honourable Senators Aseltine, Aylesworth, Sir Allen, Blais, David, Fallis, Gershaw, Gouin, Jones, Lambert, Leger, MacLennan, McDonald, Reid, Vien and Wilson, have been appointed a committee to assist the Honourable the Speaker in the direction of the Library of Parliament, so far as the interests of the Senate are concerned, and to act on behalf of the Senate as members of a joint committee of both houses on the said library.

The motion was agreed to.

JOINT COMMITTEE ON RESTAURANT

MESSAGE TO THE COMMONS

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

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

The motion was agreed to.

JOINT COMMITTEE ON PRINTING

MESSAGE TO THE COMMONS

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

That a message be sent to the House of Commons by one of the Clerks at the Table, to inform that house that the Honourable Senators Beaubien, Blais, Bouffard, Comeau, Davies, Dennis, Euler, Fallis, Lacasse, Moraud, Mullins, Nicol, Penny, St. Père, Sinclair, Stambaugh, Stevenson, Turgeon and Wood, have been appointed a committee to superintend the printing of the Senate during the present session, and to act on behalf of the Senate as members of a joint committee of both houses on the subject of the printing of parliament.

The motion was agreed to.

The Senate adjourned until Tuesday, September 27, at 8 p.m.

THE SENATE

Tuesday, September 27, 1949

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

Prayers and routine proceedings.

CRIMINAL CODE BILL

CONCURRENCE IN COMMONS AMENDMENT

The Hon. the Speaker: Honourable senators, a message has been received from the House of Commons to return Bill D, an Act to amend the Criminal Code, and to acquaint the Senate that they have passed the said bill with one amendment.

The amendment was read by the First Clerk Assistant, as follows:

Page 2, line 33. Strike out "St." and substitute "Saint".

The Hon. the Speaker: Honourable Senators, when shall the amendment be taken into consideration?

Hon. Mr. Copp: With leave, I move that the amendment be concurred in now.

The motion was agreed to.

DIVORCE PETITIONS

ADVERTISING AND SERVICE

Hon. Mr. Aseltine presented and moved concurrence in the second report of the Standing Committee on Divorce, as follows:

1. The committee find that following prorogation of the last session of parliament on April 30, 1949, 155 petitions for bills of divorce were pending hearing and inquiry by the committee.

2. With respect to 123 of these petitions the committee find that the service upon the respondent, advertising, etc., is in order for the present session of parliament.

3. The committee recommend that the advertising and service upon the respondent, made for the last session of parliament, with respect to the following 32 petitions, viz.:—

Of Celia Maria Gabrielle de Costa Baxter, of Westmount, Quebec.

Of Phyllis Lilian Buck Beatty, of Montreal, Quebec.

Of Gladys McCarrick Bonnemer, of Montreal, Quebec.

Of Delphis Brousseau, of Montreal, Quebec.

Of Agnes Mary Binnie Bullock, of Ste Anne de Bellevue, Quebec.

Of Alice Lafond Burnham, of Montreal, Quebec.

Of Ruth Baranoff Clark, of Outremont, Quebec.

Of Francis Gilmer Tempest Dawson, of Halifax, Nova Scotia.

Of Phyllis Elizabeth Ross Erskine, of Westmount, Quebec.

Of Viateur Fortier, of Montreal, Quebec.

Of Ruby Muriel Keith Gray, of Outremont, Quebec.

Of Valia Rikoff Grenier, of Montreal, Quebec.

Of Dora Eleanor Chalmers Grisley, of Montreal, Quebec.

Of Thomas Hanusiak, of Montreal, Quebec.

Of James Samuel Hatton, of Montreal, Quebec.

Of Anne Denburg Hershcovich, of New York, U.S.A.

Of Grace Elsie Mills Johnson, of Nitro, Quebec.

Of Doris Mary Thompson Lummis, of Montreal, Quebec.

Of Marie Jeanne Martin, of Montreal, Quebec.

Of Olive Frances Harper Morrison, of Montreal, Quebec.

Of Diewerke Bakker Mulders, of Montreal, Quebec.

Of Loretta Waugh O'Dell, of Montreal, Quebec.

Of Jeannette Mathilde Seymour Oswald, of Montreal, Quebec.

Of Gerald Geoffrey Racine, of Cote St. Luc, Quebec.

Of Isabel Christine MacLean Robinson, of Ottawa, Ontario.

Of Joan Elizabeth Gray Rodier, of Montreal, Quebec.

Of Mary Piekos Rynski, of Montreal, Quebec.

Of Joseph Tannenbaum, of Montreal, Quebec.

Of Mary Jean Strachan Taylor, of Montreal, Quebec.

Of Leslie Ernest Tulett, of Montreal, Quebec.

Of Martha Inkeri Eerikainen Valkonen, of Westmount, Quebec.

Of Bessie Zinman, of Montreal, Quebec, be deemed and taken as a sufficient compliance for the present session with the requirements of Rules 136 and 137.

The motion was agreed to.

ROBERGE DIVORCE

PETITION WITHDRAWN

Hon. Mr. Aseltine presented and moved concurrence in the third report of the Standing Committee on Divorce, as follows:

1. With respect to the petition of Gladys Ethel MacDonald Roberge, of the city of Toronto, in the province of Ontario, for an act to dissolve her marriage with Ernest Wilfred Roberge, of the city of Hull, in the province of Quebec.

2. Application having been made for leave to withdraw the petition the committee recommend that leave be granted accordingly, and that the reduced parliamentary fees paid under Rule 140 be refunded to the petitioner less printing and translation costs.

All of which is respectfully submitted.

The motion was agreed to.

JOUSSE DIVORCE

PETITION WITHDRAWN

Hon. Mr. Aseltine presented and moved concurrence in the fourth report of the Standing Committee on Divorce, as follows:

1. With respect to the petition of Elisabeth Mavis Cann Jousse, of the city of Montreal, in the province of Quebec, for an act to dissolve her marriage with Eugene Theophile Jousse, of the city of Lachine in the said province.

2. 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.

FULTON DIVORCE

PETITION WITHDRAWN

Hon. Mr. Aseltine presented and moved concurrence in the fifth report of the Standing Committee on Divorce, as follows:

1. With respect to the petition of Pearl Mary Fulton, of the city of Montreal, in the province of Quebec, for an act to dissolve her marriage with George Devlin Fulton, of the city of Verdun, in the said province.

2. Application having been made for leave to withdraw the petition, the committee recommend that leave be granted accordingly, and that the reduced parliamentary fees paid under Rule 140 be refunded to the petitioner less printing and translation costs.

The motion was agreed to.

EXCHEQUER COURT BILL

THIRD READING

Hon. Mr. Copp (for Hon. Mr. Robertson) moved the third reading of Bill B, an Act to amend the Exchequer Court Act.

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

DEPARTMENT OF JUSTICE BILL

THIRD READING

Hon. Mr. Copp (for Hon. Mr. Robertson) moved the third reading of Bill C, an Act to amend the Department of Justice Act.

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

SPEECH FROM THE THRONE

ADDRESS IN REPLY

On the Order:

Resuming the adjourned debate on the motion of Hon. Mr. Godbout, seconded by Hon. Mr. Petten, that an humble Address be presented to His Excellency the Governor General for the gracious Speech which he has been pleased to deliver to both Houses of Parliament.

Hon. Mr. Copp: Honourable senators, I should like to make a brief explanation. It will be noticed that when this Order was before the house a few days ago, the adjournment of the debate was moved by the leader of the government, (Hon. Mr. Robertson). He is unavoidably absent this evening but is desirous that the debate should not be postponed on that account. I believe the senator from Medicine Hat (Hon. Mr. Gershaw) is prepared to go on with the debate this evening, and that other members also wish to participate. In the circumstances I would ask that the leader be given an opportunity to speak in the debate at a later date.

The debate was resumed (from Wednesday, September 21):

Hon. F. W. Gershaw: Honourable senators, in rising to take a brief part in this debate, I wish first of all to congratulate the mover (Hon. Mr. Godbout) and the seconder (Hon. Mr. Petten) of the Address on the subject matter of their speeches and the manner in which they delivered them.

I should also like to pay my respects to you, Mr. Speaker, for the splendid work that you have done in the Senate in years gone by, and to congratulate you upon your attainment of the high position which you now occupy.

In a very humble way I should also like to extend my sincere welcome to the new members of the Senate. They have taken on important responsibilities, but they will find here an atmosphere of good will and friendliness, and they will have the opportunity of making a great contribution to the welfare of Canada.

I wish to take advantage of the latitude which the house graciously allows in this debate to speak of local crop conditions that I have seen this year, and have often seen in years gone by. Southern Alberta, the district whence I come, is in the heart of what is called the Palliser triangle. Nearly a hundred years ago Captain Palliser, who was employed by the British Government to examine and report on the whole district, outlined an area, roughly triangular in shape, which he considered was unfit for agricutlural purposes. Fortunately, his prediction has not proved to be altogether accurate, for during intervening years parts of that area have produced great wealth, though in the heart of the district there is short-grass country in which crop failures are a common occurrence. Back in 1874 the Northwest Mounted Police made their great pilgrimage through what was then that lone land, and when travelling through southern Alberta their livestock suffered greatly from lack of water. Colonel Walker, one of the originals of that great force, said he had never seen a country where there were so many dust storms and where pasture was so completely non-existent.

However, there were good years, and people flocked into that country with high hopes. They did not reap the golden harvests they had hoped for, because what has been called "the withering hand of drought" brought disappointment and often despair. The federal government has some responsibility for drought control, because in the early days of this century, from 1908 to 1913, the government's homestead and pre-emption policy brought the open range days to an end and made the land available for settlement. It was because of that action that land hungry people crowded into the country. I recall seeing in those years long lines of men and

some women standing all day and all night in front of the land titles office, waiting for an opportunity to file on homesteads. Those people made their homes in the area, but successive crop failures caused about 60 per cent of them to move out, and the 40 per cent who remained have endured long periods of hard times.

Conditions this year are typical. If you drive through the country or fly over it this year you will see large fields of grain, fields of three hundred and four hundred acres, being plowed down because the crop is not worth cutting. Other fields are being cut for feed, and some of these will yield from two to five bushels an acre. In that district 2,700 townships will be eligible for prairie farm assistance payments. That means that there are 2,700 townships where the yield will be less than eight bushels per acre. It also means that about 70,000 farmers will lose their crops and will receive the "dry bonus". Most of them will need it badly, and they all are very grateful to the Minister of Agriculture and to the members of parliament who voted for the bonus. According to the estimate of the departmental superintendent, $17 million will be paid out this year for that purpose. About two-thirds of that sum will come from the dominion treasury, the remaining third being from the 1 per cent levy on all grain sold by farmers during the last few years.

Irrigation is not mentioned in the Speech from the Throne, but I make an earnest appeal to the members of this parliament to support the Minister of Agriculture in his effort to speed up and expand the irrigation program. The minister has lived in that country and has seen conditions there, but he may have difficulty in persuading some honourable members to realize the very great need for irrigation. The farmers themselves are certainly convinced that it is needed. Indeed, the dream of the farmers there for nearly half a century has been a beneficial use of the waters that flow down the eastern slope of the rockies, pass through the prairies and on to Hudson Bay.

The cities and towns out there also are desperately in need of this development. During the last few years many new houses have been built, and there has been an increase in the urban population. The Dominion Government will not get back the money that it has advanced for wartime housing there unless the land is irrigated, because, unless this development is proceeded with, a good deal of unemployment is likely. On the other hand, if the land is irrigated, a number of new industries would probably be established, such as beet sugar factories, canneries and quick-freezing plants, all of which would be needed to handle the crops.

About half a million acres in southern Alberta are at present irrigated by the larger projects, and under the Prairie Farm Rehabilitation Act water storage facilities have been provided in eight to ten thousand small projects, which serve another quarter-million acres, so that in all there are about three-quarters of a million acres under irrigation. But engineers who have studied the problem are convinced that another million acres could be irrigated without exhausting the water supply, and some projects have been started to accomplish this end. For instance, there is the St. Mary-Milk River dam, which was started in 1946 and the key structure, the Great Spring Coulee dam and reservoir, which will be completed probably next year. When the whole project has been finished, it will irrigate about 345,000 acres of the driest land in southern Alberta and will supplement the water supply of 120,000 acres.

There is in Alberta another venture in which progress has been discouragingly slow. About 35 years ago a patriotic British investor put $13 million into the Bow River scheme. It was the first undertaking in that line, yet it has not been extended. For the low cost of about $20 per acre it could be developed, and some 192,000 acres could be irrigated for approximately four or five million dollars. Year after year negotiations have been carried on between the Dominion Government, the provincial authorities and the private land company, but to the great disappointment of the people concerned, no agreement has been reached. At the present time, however, there is before the Dominion Government a proposal to buy out the land company for $2,250,000. The people in that area are most anxious to see the agreement consummated, but the long and wearisome delays have shaken their faith in the democratic method of doing business.

In the neighbouring province of Saskatchewan approximately a million acres could be irrigated, and some plans have been made for doing this. Such a development would cost about $31 million, and if power were developed, another $10 million would be expended.

The land about which I speak has an annual rainfall of about ten inches. If it had as much as fifteen inches during the growing season, good crops could be produced. But that very seldom happens. Only about 1/30 of the dry land can be irrigated, but that small portion would produce as much as the entire area produces at the present time.

Canada is in need of an increase in her food production. In the first place, the people need more food. Only about 40 per cent of Canadians get the quantity and quality of

food they require; the remaining 60 per cent get from one-half to two-thirds of their requirements. The food they fail to get is of the protective kind, such as dairy and poultry products, fruits and vegetables. These are the products which grow best on irrigated land. In the second place, Canada needs a high level of production of food to exchange with other countries for commodities which we cannot profitably produce. Thirdly, we must contribute to the world food pool, from which unfortunate peoples can draw. In the 1800's the world population was one billion; now it is two and one-third billions. That is an increase of about one per cent per year, which means that approximately 50,000 new faces appear every morning for breakfast. To meet our share of the demand we must retain a high level of food production. There are no new agricultural frontiers available, so science must make greater use of the present supply of cultivated lands.

Canada is far behind the other nations in her irrigation program. As I have said, we have under irrigation about three-quarters of a million acres, compared with 1 million acres in Australia, 28 million in the United States, 8 million in Russia, 6 million in Egypt and many millions of acres in India.

Where water and food are plentiful people will go. They will move from the dry sections; returned soldiers, thrifty people, and immigrants, who will make good Canadians will locate in the productive areas. The population in the dry areas is about 3·5 people per square mile as against 29·7 in the irrigated districts. Think of what such an increase means to the life of the community, to the schools and to the churches.

These schemes for the irrigation of land will endure, and will be a great blessing for the people of today and of future generations. True, irrigation projects cost money, but during the '30s there was spent in Alberta alone some $31 million for direct relief, $13 million for relief works, and $1 million for administration, a total of $45 million, which would have gone a long way towards watering these dry lands. Aside altogether from the material aspect, such works should be constructed for the welfare, health and happiness of the people of Canada. During the growing season, in the dry areas there is much uncertainty, great anxiety and fear of want. Irrigation would do much to banish those fears and to bring courage and a feeling of confidence to many deserving people.

I close with an expression of hope and expectation that this new parliament, whose sessions are just beginning, will accomplish much. In the final analysis, the end and object of all legislation is to improve conditions in the homes of the people. This means that we should adjust affairs within our borders so that benefits and blessings can be evenly distributed; that we should assume our full responsibility in external affairs, and that at the present time we should extend all possible help to that little island across the north Atlantic, that Mother of Nations, whose economy has been so shaken by the stress and strain of the two recent world wars.

Some Hon. Senators: Hear, hear.

Hon. A. K. Hugessen: My first word will be one of warm and heartfelt congratulations to you, Mr. Speaker, on having attained the distinguished office which you now hold. Knowing you as I do, and having had that privilege for several years, I am quite certain that you will add dignity to your office. My familiarity with your essential fair-mindedness, Mr. Speaker, prompts me to go further, and to say that I forgive you in advance should you at any time during this parliament find it necessary, in the course of your duties to call me to order or to rule against me on a point of procedure.

Honourable senators, my next word must be one of special appreciation to the mover (Hon. Mr. Godbout) and the seconder (Hon. Mr. Petten) of this resolution. I am sure that all of us, and in particular those who have served in this assembly for some years, agree that they have fulfilled their functions as admirably as they could have been fulfilled. With regard to the honourable senator from Montarville (Hon. Mr. Godbout) well, we know him in Quebec. He is my old provincial leader: we have fought election battles together. When, a few days ago, the honourable senator got up to open his remarks, we from Quebec knew what to expect; and we got what we expected—a speech clear, persuasive, forceful, eloquent, conveyed with that beauty of language and that courtesy of bearing which marks the man. I can assure the honourable senator that he is a most welcome addition to this chamber.

Some Hon. Senators: Hear, hear.

Hon. Mr. Hugessen: With regard to the honourable senator from Newfoundland (Hon. Mr. Petten) I would add my voice to all those other voices—and there are 13,000,000 of them, from Halifax to Vancouver—which welcome him and his province into our confederation.

Some Hon. Senators: Hear, hear.

Hon. Mr. Hugessen: I listened with keen delight to his speech, both in its historical and its descriptive parts. I was particularly impressed by two of the statements he made. The first, his description of the trials and persecutions which beset Newfoundland in

the early days, and had the result of creating a proud race of men, as he said, almost fanatically jealous of their independence and suspicious of any country which might ask them to unite their fortunes to its own. The second, his statement—and how true it was—that the real benefit which Canada has gained by the union lies in the sturdy men and women of our new province. When he said that I was reminded of a couplet, written by that eighteenth-century poet Oliver Goldsmith, which many of you will recall, and which runs like this:

Ill fares the land, to hastening ills a prey,
Where wealth accumulates, and men decay.

As the poet says, and as the honourable senator from Newfoundland so clearly perceives, the true wealth of a country lies not so much in its material prosperity as in the character of its people.

We are discussing at the present time the Speech from the Throne. That speech refers to many matters of considerable importance which are worthy of debate in this chamber and which, I trust, will be debated here. I propose to confine my remarks this evening to one of these topics—the one, I think, which at the present time is the most important of all. The Speech from the Throne contains this paragraph:

Although the nations of Western Europe have made substantial progress towards recovery from the ravages of war, they have not yet been able to restore completely their economic strength. Their shortage of dollars continues, and international trade remains in a state of unbalance. The government is seeking by all appropriate means to co-operate in measures to restore economic equilibrium. The achievement of a pattern of world trade in which the trading nations can operate together within one single multilateral system continues to be the ultimate aim of my government.

That is a reference, of course, to what in ordinary parlance we call the dollar-sterling crisis. As the Speech from the Throne states, it is a crisis in international trade; and I do not need to emphasize what has been said many times, that Canada is one of the countries whose prosperity most depends upon a free flow of international trade.

The matter was discussed and brought into focus in a rather striking way in another place by the Prime Minister the other day when he brought it down to figures per family. He remarked that in order to maintain the prosperity of this country it was necessary to export each year goods to an amount of $1,200 for each family in the land. That is a clear measure of the importance of free international trade to this Canada of ours.

Perhaps I should remind honourable senators that the present crisis is not, as some uninformed persons seem to think, one which affects Great Britain alone. It is a crisis between the sterling area and the dollar area. The dollar area comprises for all practical purposes, as honourable members know, the North American continent, while the sterling area consists not only of Great Britain but of Ireland, Egypt, India, Australia, New Zealand, and a number of other countries of the Middle and Far East.

What is this crisis? In a nutshell it is this. At the present time the countries of the sterling area are buying from the countries of the dollar area to the extent of approximately 600 million pounds a year more than they are selling to the dollar area. This has created the unbalance that we hear of, the "gap" which the newspapers talk about. When this crisis arose, apparently somewhat suddenly during the course of this summer, there was a tendency, particularly I think in the United States, to hold that Great Britain alone was responsible for it. One can well understand the feeling in that regard of the people of the United States. They would say, without much consideration, "Good heavens! Look at what we have done already. During the war, by way of lend-lease, we provided goods and services in immeasurable amounts to Great Britain, for which we charged nothing. After the war we spent billions of dollars through UNRRA for relief. Afterwards we gave a credit to Great Britain —I think it was—"of three billions of dollars which we supposed would last her for five years, but which was exhausted in a little over one year; and for the last two years, under the Marshall plan, we have been voting aid to Great Britain and other European countries to the tune of $1,200 million. So what in the world are we expected to do now?"

That was a rather natural reaction, but I believe that the feeling it represents disappeared when the full extent and nature of the problem was realized. After all, as I said a moment ago, it is not a problem relating to Great Britain alone; it is common to the whole of the sterling area. And then, when you come to study the facts of the situation, you find that since the war ended Great Britain in most ways has done remarkably well. Her industrial production has increased; the output per head of the population is greater than it was before the war. Her exports today are 50 per cent greater than they were in the year 1938, and over one-third larger than they were in 1937, which was the peak year of the 'thirties.

There were some, and I am afraid there are still some who are inclined to blame the crisis on the socialist policies of the present British government. Though I am in no way an apologist for that government, I do think that is a complete misapprehension. Informed opinion seems to be that, so far at any rate,

the socialist policies of the British Government have had no effect on this dollar-sterling crisis. It so happens that I visited England during the last couple of months, and while I was there a series of most interesting articles appeared in the *Times* newspaper on the subject of the dollar-sterling crisis. I do not think that the *Times* can be accused of undue partiality to the socialist government, but this is what that publication had to say on this particular point. I quote:

> There is no concrete evidence that specifically socialist measures have made much difference to the deficit—so far, at any rate—but there is ample evidence that excessive expenditure of all kinds, over-grandiose conceptions of the "welfare state," and easy indifference to financial standards bear much responsibility. The mental attitude responsible for these things has extended well beyond the government or the party in power.

I read an interesting article along the same lines in the September issue of the monthly letter of the National City Bank of New York. Here is what it has to say on this point:

> It would be both inaccurate and unfair to convey the impression that the Labour government is insensible to the need for improving efficiency and reducing costs. The government is promoting an ambitious (possibly too ambitious) program of investment in industrial re-equipment and modernization for that very purpose. Sir Stafford Cripps has used all the prestige and authority of his office to gain the co-operation of labour in holding the line on wage increases. Despite some exceptions and an increasing restiveness among the rank and file of labour, the average level of wages has been held remarkably steady over the past year. The leadership of Britain's Trade Union Congress, in a frank report to be submitted to the annual convention this month, bluntly tells the nation's 8,000,000 organized workers that business is being taxed to the limit, and that their only hope for an improved standard of living is to work harder.

Having quoted an authority from London and an authority from New York, I should now like to refer to an authority from our own country. Many honourable senators probably read a few days ago the report of a speech made in Vancouver by Mr. J. S. Duncan, president of the Massey Harris Company. He is reported to have publicly expressed the view that the socialist policies of the British government have little, if anything, to do with the problem of the dollar-sterling crisis. I think from this, honourable senators, we should conclude that it would be most undesirable for anyone today to try to use the present critical situation as a basis for attacking the socialist policies of the government of the day in England; or, if I may be allowed to say so, to hunt his own pet political hares, no matter how tempting the opportunity may appear to be.

I am far from saying that the present Labour government in Great Britain is immune from criticism. From what I saw in England last month, if I were a resident of that country I would strongly resist a good many of their proposals, such as, for instance, those to nationalize the steel industry, the packing industry and the industrial insurance companies. Quite apart from that, however, it is only fair to say that whatever might be the political stripe of the government in power in Great Britain today, that government would be faced with the problems which confront the present government.

There is one criticism that I would make of the British government in a very respectful fashion, and that is that certainly, when I was in England, the government was not doing enough to make its people realize the difficulties and the seriousness of the British position with regard to the dollar-sterling crisis. It seemed to me that the working man of Great Britain was living in a fool's paradise. Wages were very high and unemployment was non-existant. In fact, there was no unemployment; there was over-employment. The fear of dismissal had completely vanished, because a man if dismissed from one job could immediately obtain another at an equal rate of pay somewhere else. It does seem to me that the British working class were living in a fool's paradise.

Let me try to exemplify what I mean by that. During the course of our visit to England we motored about the country a good deal, and it happened that we found ourselves from time to time upon some one of the great arterial roads leading from London to the coast. Any morning on any of those roads you would meet an almost unending procession of motor buses carrying men, women and children from London or its suburbs for a day by the sea. Nobody begrudges the British working man his day by the sea, and it is only fair to say this was the holiday season. But just let us analyze what was happening. That motor bus in which he was travelling was operated by gasoline—petrol, as they call it over there—probably purchased in the United States with American dollars. The pipe or the cigarette that the man was smoking in the motor bus was probably manufactured, largely from Virginia tobacco for which American dollars had been paid. The very breakfast that man had before he started on his journey that morning had in all probability been partially provided for by American dollars under the Marshall plan. It seems to me that there was insufficient realization on the part of the mass of the British people that those dollars were coming to an end. That is perhaps a criticism of the present British government that I have, but it might well be a criticism that anyone might make against the government of a democracy.

As all honourable senators know, it is sometimes difficult for the leaders of a democracy to tell their people unpleasant truths.

Latterly, there has been a most startling change in the situation caused by the devaluation of the British pound, and a similar devaluation of currencies by other countries in the sterling area. It is too early to say what the effect of this devaluation will be. The hope is that it will make it easier for the countries of the sterling area to sell more goods to the countries of the dollar area, and thereby earn more dollars. It is important to realize, however, that devaluation by itself does nothing to correct an unbalance of trade. I am quite sure no honourable senator supposes that the situation has been cured by this devaluation, and that all we have to do now is sit back and watch it take effect, and assume that the whole matter will be rectified in due course. Nothing can be further from the truth. Devaluation is only the first step in a long, tedious process.

The purpose of the devaluation is to cheapen goods produced in the sterling area so that they will have a better chance of being sold in the dollar area and earning more dollars. But if devaluation is to be successful, if it is to achieve that object, then it logically follows that the dollar-area countries must be willing to accept and pay for those extra goods. There are two parties to any transaction of sale: the vendor and the purchaser. If there is to be a deal the purchaser must be willing to buy. What it means in effect is this, that we of the dollar area —to be more specific, we in Canada—will have to accept substantially greater imports from Great Britain and the other countries of the sterling area than we have in the past. As far as Canada is concerned, I think there is some basis for the belief that we shall be able to increase our imports from Great Britain to a very substantial degree. During the first six months of this year our total importations to this country were, in terms of percentages: from the United States 72 per cent, from Great Britain 12 per cent, from the rest of the world the remaining 16 per cent. That is a considerably larger proportion in favour of the United States as against Great Britain than existed before the war. I think, therefore, there is a good deal of leeway for increasing our imports from Great Britain and decreasing imports from the United States, thereby favourably affecting the value of the pound in terms of the Canadian dollar and the value of the Canadian dollar in terms of the American dollar.

Hon. Mr. Haig: Will the honourable gentleman allow a question just here? With all due respect to him I must say that I have heard and read that statement quite often. Can he name some things that we could buy at a reasonable price from Great Britain which we now import from the United States? Woollens have at times been mentioned, but they have gone up in price. I flatter myself that the cloth in the suit I am at present wearing came from the Old Country, although of course I do not know whether it did or not. Would the honourable member suggest how we can increase imports from Great Britain and decrease those from the United States?

Hon. Mr. Hugessen: I do not pretend to be an expert on trade. What I was saying was that before the war the proportion of our imports from Great Britain, in relation to our imports from the United States, was considerably higher than it is today. Of what that proportion was made up I am frank to say I do not know; but it seems to me that we could at least get back to the position which existed only ten years ago.

But I do not think we ought to delude ourselves that it is possible to bridge this dollar-sterling gap without some sacrifice on our part in this country. I foresee that our government may be faced with difficult problems. A great increase in imports from countries with devalued currencies may cause outcries from local industries faced with this new competition; it may, indeed, cause distress and loss of employment in some instances. This government and this parliament will have to weigh very carefully the claims for protection of those particular industries against the broad general advantage of the country as a whole, which will undoubtedly arise from rectifying the present unbalance between the sterling and the dollar areas, and as well from the opportunity, which will come when that unbalance has been corrected, of freeing the channels of world trade, upon which the prosperity of Canada as a whole so largely depends. We have already had preliminary rumblings from the textile industry, for instance, as to the increased competition which it is going to face, and I hope to refer in a few moments to another industry which will be affected in the same way.

The first step in seeking the cure for this problem of unbalance between the sterling and dollar areas is, I suppose, an inquiry into the causes which brought it about. Some of these causes are well known and others are not. Let me enumerate some of the well-known ones. First of all there was the loss of the overseas markets of Great Britain, resulting from her having turned the whole of her manufacturing industry during the war to the production of munitions of war. I think

one thing that may be said by way of answer to the question asked by the honourable leader opposite (Hon. Mr. Haig) is that Great Britain, when she gets back to producing the goods that she was producing before the war, will be able to obtain a larger share of her former export business.

The second cause was the loss by Great Britain of a large part of her overseas investments, which she had to realize and sell to pay for the war. In former days, of course, Great Britain used the income from those investments to make up the difference between her exports and her imports. The loss which she has sustained as a result of having to realize many of those investments is, I am informed, of the order of £25 million a year.

The third well-known cause was the loss by Great Britain of a large portion of her revenue from shipping—shipping that was sunk or destroyed during the war. Before the war Great Britain did much of the shipping of the world, including a good deal of the shipping of the dollar area itself, and she used the income derived from shipping to make up the difference between her exports and imports.

Those causes of the unbalance are well known; but, as I said, there are other causes which are not quite so well known. Let me instance two of them. Before the war India and other countries of the Near and Far East which are comprised in the sterling area imported very little from this continent. In fact they sold a great deal more to this continent than they bought from it. In other words, as members of the sterling area they had a large dollar balance in their favour, and that dollar balance was in fact so large that it is said to have made up for Great Britain's own dollar deficit. But since the war that condition has completely changed. India and the other countries of the Near and Far East now demand the goods of this continent. They import today a great deal more from this continent than they export to it, and instead of helping to make up Great Britain's deficit of dollars they account on their own for an additional deficit estimated at about £100 million a year.

The second of these causes, which is not so well known, has relation to the rubber industry. Before the recent war, the very great rubber requirements of the United States and Canada were met by the importation of natural rubber from the sterling countries of the Far East. We all know what happened. The war, and the cutting off of our source of natural rubber, made it necessary for the United States and Canada to engage in a very large way in the manufacture of synthetic rubber. It is estimated that today the United States consumes well in excess of 400,000 tons of synthetic rubber each year. According to the *Times* article to which I referred a few minutes ago, that results in a loss to the sterling area of approximately £50 million a year at the present prices.

It is therefore apparent that one of the ways in which we in Canada can help the sterling area would be to revert to the use natural rubber. That of course immediately brings up the question of the Polymer Corporation. As honourable senators know, that is a government company formed during the war for the purpose of manufacturing synthetic rubber to replace the natural rubber which we could not get from the Far East. The question is whether the operations of the Polymer Corporation, which I understand still makes a great deal of synthetic rubber, should be reduced or modified.

It goes without saying that my remarks are not to be taken in any way, or in any form, as an attack upon the Polymer Corporation. So far as I have been able to ascertain, it is an extremely well-managed company and has performed great service for the people of Canada. I am not an expert who can tell this house whether, and to what extent, the operations of the Polymer Corporation could be curtailed. I think we would all agree that it must be retained, at least as a pilot plant, for strategic reasons, in case of international trouble in the future such as we had during the recent war when our sources of natural rubber were cut off. But I do suggest to our government that it should make serious study of whether it is possible to decrease the use of artificial rubber and revert to natural rubber for most of our requirements. Anything that we could do in that direction would not only benefit the sterling area by increasing its exports to Canada, but it would benefit us. As I understand it, the raw material used by the Polymer Corporation for the manufacture of synthetic rubber is oil, which is imported from the United States, and for which we have to pay United States dollars. So, to the extent that we could dispense with the necessity for importing that oil, we would decrease our spending of United States dollars.

Another feature of this most difficult situation, to which very little attention has been paid in Canada, is the problem of the London sterling balances, so called. Frankly, I know very little about the problem; I am sure that some honourable senators know a great deal more about it than I do. I do think, however, it can be shown that the question of the London sterling balances

affects the whole problem, and that at least indirectly it affects us on the North American continent.

What are these London sterling balances? Well, the word "balances" is a beautiful euphemism. For instance, if I owed $10,000 to the Bank of Montreal, it might be called "a balance", but it is really a debt; and these London sterling balances are debts. They are £3,000 million of debts owed by the Government of Great Britain to the governments of the Near and Middle East for supplies and services furnished during the war. According to the most recent figures to which I have had access, more than half of these £3,000 million of sterling balances are owing to the governments of India and Egypt.

These balances are operated in this way: they are frozen in London, but every now and again, by agreement between the British Government and the government of the other country concerned, a part of them is released by the British Government and is used by the other government to buy British goods to the extent of the sum released. For example, I understand that in the year 1948 the Government of India used £150 million of her sterling balances to buy British goods. Those are what the experts call "unrequited exports". In return for her export of that £150 million worth of goods, Britain got nothing except a bookkeeping entry in some London ledger, decreasing her debt to India by that amount.

Hon. Mr. Haig: May I ask my friend a question? That £150 million is included as part of the exports from Great Britain during the year?

Hon. Mr. Hugessen: Yes. The attempt by Great Britain to pay off these sterling balances by these unrequited exports is said to be largely responsible for the inflation in that country at the present time, the high wages, the over-employment and the apparent prosperity which is to some extent at least delusive.

Hon. Mr. Haig: It is false.

Hon. Mr. Hugessen: There is another result which the use of the sterling balances has which affects us in Canada and the United States, and also affects the ability of Great Britain to earn dollars by selling to us and to the United States. I refer to the markets for British goods in the Near and Far East. These markets in the countries which own the sterling balances are easy markets for British manufacturers. They get high prices for their goods in pounds, the reason being that that is the only use to which the creditors can put the pounds. It is much easier for a British manufacturer to sell his goods for sterling in the Near or Far East, without competition, than to attempt to sell the same goods in Canada or the United States against the keen competition of our own manufacturers. Human nature being what it is, I think undoubtedly that many British manufacturers have chosen the easy way out—they have earned pounds when they might have been earning dollars. I believe that the governments of the United States and Canada should take a positive attitude with respect to the question of the sterling balances.

I was glad to see from the official report of the discussions between the ministers of Great Britain, the United States and Canada, which took place in Washington ten days ago, that this was one of the matters which came under review. I think it is generally realized that it is in our interest to put Great Britain back on her feet as a great industrial nation, to close the gap between the dollar area and the sterling area, and to thus ultimately achieve freedom of trade between the nations of the democratic world.

These sterling balances are a hindrance to the health of the sterling area. To put it bluntly, and perhaps a little unfairly, we in Canada and the United States might ask ourselves whether we are interested in helping to put Great Britain back on her industrial feet merely to enable her to pay off war debts to the countries of the Middle and Far East, which ought to have been cancelled or at least very substantially reduced a long time ago. After all, we on this continent have some experience of fantastic war debts. We know that in the end, these enormous sums can never be paid, at any rate in full. We know, too, that so long as they remain outstanding they are nothing but a fruitful source of friction and bad feeling between the debtor country and the creditor country. You may recall, as an example of what I mean, the history of the British war debt to the United States after the First Great War. When the Second World War came along, the statesmen of the United States and Canada made certain that the same condition in respect of Great Britain would not recur. In the United States as a consequence of lend-lease—that brilliant conception which originated in the great brain of President Roosevelt—and in this country, of our free gift to Britain of $1,000 million, as well as other write-offs which were effected, Great Britain owes no war debt either to Canada or to the United States. But Great Britain does owe a war debt of £3,000 million to countries of the Middle and Far East. As I have said, the greater part of these obligations is held by India and Egypt. Perhaps it would be undiplomatic to suggest to those countries that the goods and services they supplied to Great Britain during the war were used in the common effort, the effort to defeat Germany

and Japan; that but for Great Britain, as is well known, Egypt would have been overrun by the German armies under Rommel, and India would have had to face invasion by the troops of Japan. As I say, to remind India and Egypt of these facts might be undiplomatic. But it is possible that the United States and Canada could do something to relieve Great Britain of the burden of the sterling balances. India and the other countries of the Middle and Far East, to whom these obligations were contracted, import from this continent a great deal more than they export to it. They need our money, our goods and our services for the purposes of their development. That being so, something might be done along the lines of an interesting suggestion which was made by Professor W. A. Mackintosh of Queen's University in an article which appears in the October issue of the American quarterly journal *Foreign Affairs*. His article is entitled "Anglo-American Solidarity", and it contains a most interesting discussion of problems of reconstruction and readjustment, including this question of the sterling balances. Here is Professor Mackintosh's suggestion:

> In dealing with the sterling balances held by India, Egypt and the Middle East, the United Kingdom has played a politically weak hand and the results have been economically costly. Canada and the United States hold trump cards—hard currency. It may be that for a grant of hard currency to be spent on North American goods, India and the others would write off two or three times the equivalent in pounds from the liabilities of the United Kingdom, and defer sterling drawings for a period of years. In compensation, the United States and Canada would temporarily extend their markets for food and capital goods and strengthen important troubled areas.

It is obvious that the major part in any scheme of that kind would have to be undertaken by the Government of the United States. But I do suggest to our government that they explore with the Government of the United States the possibility of doing something along the lines suggested by Professor Mackintosh, and that they express the willingness of this country to do its share in connection with any arrangement which may be arrived at.

Be very sure, honourable senators, that anything we can do to help in the solution of this question of sterling balances will be well worth while. Not only will it help Great Britain, and go far to restore healthy conditions throughout the sterling area, but it will hasten the day when the unbalance between the sterling and the dollar areas can be brought under control.

There are many other aspects of this most difficult problem which would take far too much time for me to discuss here, even though I had the necessary knowledge, which frankly I have not—questions in which matters of currency, economics and world markets are inextricably mingled. They are apt to baffle the ordinary man; I must confess that many of them baffle me. However, without going into any great detail, I believe we can reach some general conclusions. In the course of my remarks I have attempted to indicate them. Let me recapitulate:

First: The gap between the dollar area and the sterling area will not be bridged in a hurry. It will be a long, arduous process, of which the recent devaluations are but the first step.

Second: It is almost certain that Canada, as her contribution to the solution of this problem, will have to do some difficult things and make some hard and even painful decisions.

Third: No matter how difficult or painful the process, it is essential in Canada's own interests that this problem shall be solved.

After all, honourable senators, what is the alternative? If the problem is not solved, the democratic world almost inevitably will divide into two practically water-tight compartments, with trade between them frozen at a very low level. For us in Canada, with our great market in England to which we sell our goods, and the great United States market from which we buy so largely, the prospect would be bleak indeed. Although, of course, our stake in the outcome is immensely important to us, in this matter we are not the principals. Primarily success or failure depends upon the continuation of co-operation and good understanding between the governments and the peoples of the United States and Great Britain. But Canada will have her part to play, and it will be no unimportant part. I am convinced that when our people understand the problem in a broad general way, and when they appreciate the vital issues involved, they will support our government in any step which it deems it necessary for the country to take.

On motion of Hon. Mr. Roebuck the debate was adjourned.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, September 28, 1949

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

Prayers and routine proceedings.

NEW SENATORS INTRODUCED

The following newly-appointed senator was introduced and took his seat:

Hon. William Alexander Fraser, of Trenton, Ontario, introduced by Hon. A. B. Copp and Hon. W. D. Euler.

PRIVATE BILL

FIRST READING

Hon. Mr. Turgeon presented Bill E, an Act to incorporate Alberta Natural Gas Company.

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. Godbout for an address in reply thereto.

Hon. A. W. Roebuck: Honourable senators, may I first join in the felicitations already offered by others to the new Speaker of this house. I should like to congratulate him upon attaining his present high office, which already he has demonstrated he can grace. I also wish to congratulate the two eminent senators who moved and seconded the motion for the Address in reply to the Speech from the Throne, and I should like to extend my warmest welcome to the new members who recently joined us in this chamber, particularly the honourable senator from Trenton (Hon. Mr. Fraser), who has just taken his seat. He is an old friend, having been the member for Northumberland in another place. I hope that he and his fellow-freshmen, those who have come to us since the opening of this session, may enjoy their stay with us and find many opportunities for public service. I am sure the new member from Trenton, by his work and contribution in this house, will enhance the already high reputation which he brings with him.

I remember most keenly the great kindness with which I was received when I, together with other new members of that day, took my place in this chamber in 1945. The courtesy and good will with which my fellow-members accepted my opening statements, and the tolerance which they exhibited at that time—and which I hope they will continue to exhibit—were of the utmost assistance in setting me at ease and making me happy in the atmosphere of the Senate. I only hope that we senators who are now sophomores, may not fail in our welcome and kindness to the newcomers who have just arrived as freshmen. I am sure these honourable gentlemen will enjoy the public service which this house makes it possible for them to render, and I am equally sure that the Senate of Canada will benefit by their presence here. I hope they will join in our debates and add their opinions and views to those of the older members.

Honourable senators, my task at the moment is to address you on the Speech from the Throne. I notice that the Speech forecasts a considerable amount of important legislation. Outstanding among the items mentioned is, first, the abolition of appeals to the Privy Council and, in consequence, the making of our own Supreme Court of Canada the court of final appeal for Canadian cases.

The second measure is the alteration of the British North America Act to permit of amendments by direct action of the Canadian parliament, rather than indirectly, as in the past, by resolution adopted by our parliament and acted upon by the parliament at Westminster. With the general purposes of both these proposals I for one am entirely in accord; but it seems to me that in the present speech I can perhaps make the greatest contribution by confining my discussion to the current problems of trade and finance, which were discussed with such clarity, force and excellence by the senator from Inkerman (Hon. Mr. Hugessen) last night. He read, and with some diffidence in following so notable a lead I propose to repeat, this paragraph from the Speech from the Throne:

> Although the nations of Western Europe have made substantial progress towards recovery from the ravages of war, they have not yet been able to restore completely their economic strength. Their shortage of dollars continues, and international trade remains in a state of unbalance. The government is seeking by all appropriate means to co-operate in measures to restore economic equilibrium. The achievement of a pattern of world trade in which the trading nations can operate together within one single multilateral system continues to be the ultimate aim of my government.

The fact that the senator from Inkerman and I are both addressing ourselves to the same topic is, I can assure the house, a matter of chance and not of conspiracy.

In that paragraph Great Britain's shortage of Canadian dollars with which to purchase commodities in Canada seems to be attributed to the ravages of war. Of course honourable senators, the past is always a factor in the present, and in this as in many other matters the war is always a convenient excuse

for unsatisfactory conditions when a more exhaustive analysis would be either difficult or distasteful. True, the war is a factor in the present unbalance of international trade, but I wish to submit that it is by no means the only factor, and that there are causes which lie much closer to home and for which we are more responsible than we are for the ravages of war.

Britain's stagnation of trade and our own associated stagnation is a world disaster. It is not local. Although it may have been accentuated by local causes, the disaster itself is world-wide. It is peculiarly a disaster to Canada because, in the three-cornered trading system of the past, Canadians have paid the net debit for the many commodities purchased by us in the United States by our sales in the British market, and the United Kingdom squared her account with us—and incidentally ours with the United States—by the excess of her exports over imports in her dealings with the United States. If, therefore, because of some cock-eyed policies in the United Kingdom, in the United States or in Canada, the United Kingdom must reduce her purchases of Canadian goods, and in consequence we must reduce our purchases of American goods, our standard of living will be adversely affected.

The prospect is not pleasant, for if the present business log-jam is not broken we in Canada may find ourselves in the position of reducing rents because of the tenants' inability to pay; we may be squeezing the water out of business by bankruptcy or otherwise. In other words, we may not be able to carry the overhead brought about by the boom of recent years, and we may find ourselves in the throes of a depression. We in this chamber and Canadians generally have a real interest in the welfare of the British people. We observe with regret the great danger which now faces them, forcing reductions in their supplies of food and of raw materials for the carrying on of their business and industrial life. Thus Britain's problem is our problem, and the causes should be discussed without inhibition by Canadian parliamentarians—as it was last evening by the honourable senator from Inkerman (Hon. Mr. Hugessen—with complete frankness and without fear of treading on other people's toes.

At the risk of over-simplification, the problem may be stated in a single sentence: Because of the unbalance, which was referred to in the Speech from the Throne, Britain's gold and dollar reserves have been running out in recent months at the rate of $400 million quarterly. Bearing that in mind, are not we in this chamber justified in making many speeches on this subject? I hope that others will follow me—as I am following the member from Inkerman—in an inquiry as to what is the trouble, how it has been brought about, and what is the remedy. It is to that problem that I am now addressing myself.

Some newspapers would like to blame the trouble on the labour unions, and they report the efforts of labour to maintain the living standards of its members with an air of grave disapproval. We are left to infer that the British workman is at fault, though he is partially excused, in a patronizing way, on the ground that he is tired. Only this morning I read a newspaper statement to effect that labour is at fault. Well, a year ago when I toured Scotland, Ireland and England with the Commonwealth Parliamentary party, and visited the factories en route, I saw no evidences of sloth on the part of the United Kingdom worker. The fact is that men in industry over there are working an average of 46 hours a week, exclusive of meal and rest periods, and they are practically all working; there is very little unemployment. To blame the present troubles on the working people of the nation is both unkind and untrue.

Another mistake which is made is to attribute the trade difficulties to a supposed slowdown in Britain's production system caused by obsolete plant facilities and inefficient management. There is, of course, some obsolescence; no one could go through those plants without seeing some evidence of it; but if some informed and observant English visitors were to go through some of our Canadian plants, or those of our great neighbour to the south, I venture to say that they too might find evidence of obsolescence. Of course, management is human; but efficiency is largely a matter of degree, and the proof of it is always a matter of opinion.

The fact is however—and of this there cannot be any dispute; it is so thoroughly established—that the output of British industry and agriculture is from 20 to 30 per cent above pre-war level.

I suppose that if workmen could toil longer and harder on lower wages, and stop eating, and if plants could multiply their output without increasing expenses, Great Britain could carry her present burdens and the adverse balance besides. But, honourable senators, this is absurd; and to attribute Britain's position since the war to lazy men, or to inefficient stupid management, is slanderous and very unkind.

The United Kingdom Information Office at Ottawa, which is here for the purpose of supplying us with authentic knowledge from across the sea, tells me that Britain's imports by volume are 20 per cent less and her exports

nearly 30 per cent greater than they were in 1938, before the war, and that her visible deficit—I refer now not to the over-all deficit but the visible deficit on trading account—is less than one-third of what it was in the period 1936-38. Honourable senators may remember the statement made by a British official in high position in 1948, I think at New York, that Britain's recovery at that time was complete. I think he was then expressing the opinion generally held, not only in Britain but on this side of the ocean. What then has changed for the worse, to offset these changes for the better which were so vividly in mind at that time?

I shall repeat to some extent what was told us last evening by the honourable member for Inkerman (Hon. Mr. Hugessen). Do not forget that during the last war Britain sold $4·5 billion of her citizens' foreign investments for the purpose of financing that colossal conflict, and that of course she has lost the interest and the dividends on that very considerable sum. Britain's net income from this source ran about £203 million per year in the period 1936-38. Last year it was running at the rate of about £50 million. Further—and I again refer to an item mentioned by the previous speaker—Britain lost a large portion of her merchant shipping during the war, through sinkings and other casualties, so that her revenue from that source, which in 1936-38 was running about £105 million annually, fell to £60 million last year.

In addition to these reduced credits there are on the other side of the books important increased debits. For instance, Great Britain has added to her external indebtedness since the declaration of war about $11·6 billion, and as that item is so expressed in the rate of currency before the recent reduction, I ought to add about 30 per cent. Remember, that indebtedness too was incurred for the purpose of carrying on the war. Whatever its purpose, it is now a fact. That huge amount Great Britain is now called upon to service and in some degree, no doubt, to repay.

Then there are other increases. Great Britain has very largely increased her overseas expenditures for military purposes. I suppose we could discuss the necessity for those increases, but that would be hardly within our province, within our capabilities, or apropos of this discussion. It is a fact that she has increased her overseas expenditures, largely for military purposes, from £7 million before the war to £109 million in 1948. These reductions in credits and increases in expenditures are in amounts much too large, my honourable friends, to brush aside or laugh off.

As against all this, in 1948 Great Britain received $752 million in cash—not promises but cash—from the United States and Canada. This, together with her bettered balance on trading account, very clearly balanced her external accounts, and would have made it unnecessary for her to call seriously upon her reserves had it not been for two things, which, if I may take the time, I shall enlarge upon.

The first—and incidentally this was referred to in part last night by the honourable senator from Inkerman—there was a deficit of $316 million in the sterling areas outside of Great Britain; I refer to those places for which Great Britain acts as banker, and to amounts which were her debit because of their failure to pay. Second, as was pointed out in a very excellent address made a month or so ago to the Halifax Rotary Club by the honourable senator for Shelburne (Hon. Mr. Robertson), who I regret is not with us today, there has been a transition in world trading conditions from a sellers' market to a buyers' market. As he said, the accent has shifted to price, and as a result, Britain's exports to both the United States and Canada has experienced a serious decline. According to Harold Wilson, President of the British Board of Trade, Britain's exports to Canada were £1 million less in August than they were in July of this year; and her total exports for August were £4·5 million less than in July. These are figures which neither businessman nor an informed legislature can sweep aside with indifference.

Britain must sell if she would continue to buy and to exist, and it is for the purpose of lowering the prices of British goods in foreign markets, and thus reviving sales, that she has recently devalued her pound from $4.03 to $2.80, measured in United States money. We followed suit by devaluing our dollar by ten per cent, for the express purpose of increasing our exports to the United States and decreasing our imports—or, at least, to establish that tendency—and thereby improve our balance position with our great neighbour to the south. Honourable senators, in my judgment that medicine will probably work, at least temporarily; but I gravely doubt whether it is the proper, sufficient, or permanent remedy for the evil that exists. Certainly, increased or even continued gifts of money by Canada or the United States is not the answer to Britain's trade problem.

The permanent solution lies in the increase on a normal permanent basis, of Britain's sales abroad, chiefly in the United States and Canada. According to my analysis, which I humbly tender with diffidence, there are two factors: one is in Britain, and the other is here. I submit that Canada and the United

States can greatly assist in the promotion of United Kingdom exports by simply getting out of their way, by removing or substantially lessening the obstructions which we and our neighbours have deliberately placed in the channels of British trade. I refer of course, as you must know, to our sky-high tariffs, to our quotas and prohibitions, and to the administrative bog holes which we maintain against imports from Britain at the instance of pressure groups within our own countries who quite naturally would avoid the effort necessary to meet British competition.

In the wordy joint communique of the Anglo-American-Canadian conference, issued in Washington on the 12th instant, there appears this paragraph:

> Canadian representatives stated that the Canadian government would undertake a further review of the administrative operation of its Customs Act in the light of these discussions. As to tariff rates, it was noted that high tariffs were clearly inconsistent with the position of credit countries.

"The administrative operation" of the Customs Act is the tangle-foot with which officialdom is able to bedevil foreign trade enterprise at the instance of pressure groups within our own borders, and I am glad to see that its existence is admitted and that there is some suggestion of amelioration. But I note with regret that there is not even a suggestion of trade or tariff concessions for the purpose of keeping alive a British trade which is vital to our own economy and to our progress as a nation—almost as vital to us as it is to Britain—although the communique does acknowledge, as I have already observed, that high tariffs are inconsistent with the position of credit countries.

Well, honourable senators, both houses of parliament are now in session, and the budget, I presume, is being prepared. The sincerity of Canada's desire for the solution of Britain's trade difficulties may, I submit, be judged by how substantially we ease our tariff barriers against British imports. That is all I will say about our own ability to increase the trade by taking barriers out of its way. The other solution, which I said lay in the hands of Britain rather than of Canada, is in the matter of competitive price.

Hon. Mr. Lesage: Before my honourable friend goes on to that second point, may I ask a question? My impression is that we could increase importations from Britain if we bought British coal. About twenty-five or thirty years ago we used to purchase large quantities of British coal in this country, but now we do not get any. I remember reading in the papers last winter that even the English people themselves were running short of coal, because the miners did not want to work. I do not know whether that statement about the miners is true, and in any event I am not blaming them, but am simply referring to a statement that I read.

Hon. Mr. Roebuck: I thank the honourable gentleman for bringing up that point. It is very true that our importations of British coal have greatly declined. I do not wish to detain the house too long in a discussion which, of course, could go on for hours, and I will answer the question as the senator from Inkerman replied to a somewhat similar point last night: I am not an expert in picayune points of trade—and by "picayune" I do not mean unimportant. No member of this chamber attempts to bring here a memorized list of the prohibitions to be found in the tariff schedules, but that does not prevent us from dealing in general terms with the principles involved. It may be that, when the schedules are under review, a percentage of decrease in tariffs would be the wiser method of dealing with the problem. Perhaps there should be a percentage of decrease all across the board with respect to imports from Britain, or it may be that the decrease in rates should be greater on some items than on others. Personally, I am in philosophy a free trader. The senator from Inkerman said last night that something must be done, even if somebody gets hurt. I would say that something must be done even though those special privileges and advantages which we have extended to certain individuals in the past have to be decreased.

I was leaving that wing of my subject and about to switch my thought to the control which exists in Britain rather than here. By way of preliminary observation I may say that one hears continually of the expenses of social services maintained by the present government in Britain, where one can receive spectacles free, if he needs them, and where a doctor will look at your tongue without charging you for it.

Hon. Mr. Quinn: If you wait long enough.

Hon. Mr. Roebuck: If you wait long enough, yes. Well, the net cost of those services does not appear to me to be very important. Although I am not socialistically inclined, as honourable senators know, I am in favour of many social services which are maintained in this country, as well as in Britain, and which are necessary to the well-being of individual citizens.

However that may be, I want to call the attention of my fellow members to the fact that in our papers and discussions we never find a single reference to the atrociously high rents that prevail in the United Kingdom, or to the curse of land monoply which blights

industry in that tight little island. I am speaking from knowledge of these things. Nor do I ever see any reference to their outmoded system of taxation, which fosters the misuse of land while it increases the cost of living and production.

I am told that land values in Britain have doubled since 1938. Sir Stafford Cripps talks smoothly, and no doubt very well, of austerity for the masses of the people, while he permits privilege to double its toll upon industry and enterprise. I submit that the British authorities should show good faith by adjusting their own internal conditions to assist in the solution of their international problems before asking us to go too far. Great Britain should reduce her taxes which, as they increase the cost of production, fall upon commodities and consumption and upon industry and enterprise.

Hon. Mr. Horner: May I ask a question? How can we expect England to encourage enterprise when she has proceeded to nationalize every industry in the country?

Hon. Mr. Roebuck: The British people are not proceeding to nationalize every industry. They picked only certain big ones which had no friends. True, they have nationalized the railways; and in my judgment they paid the owners more than they were worth. The coal mines also have been nationalized, now that their productiveness is running out, and the owners probably were paid more than the mines were worth. They nationalized the Bank of England, which was already nationalized, in effect, before the present government came into power. Now they are embarking on what may be a very disastrous course, that of nationalizing the steel industry. Other than that, the present government of Great Britain has been most careful not to tread upon the corns of the real owners in that country—the landed gentry.

I do not wish to pursue that topic further, though I could do so. My strongest criticism of the labour government is that, while they have nationalized certain industries, and now propose to take over steel, they have appeased in every possible way the landowners of that country, and have not amended the obsolete taxation system to which I have referred, which makes possible the excessively high rents which are being charged.

I return to my line of thought when the question was asked. I was about to say that Great Britain should make a levy upon land values, as was proposed in the famous Lloyd George budget, and later by Philip Snowden, thus easing her land monopoly and forcing her natural resources of town and country into use, thereby lowering rents. I submit that it is within the power of the British Government to reduce the cost of production without further degrading the standard of living of the masses, and without basing its commercial system on the starvation of working people.

There is still another horn of this dilemma. I refer to the manacles of finance which we and other nations have forged upon the anvil of Karl Marx. Until quite recently international trade balanced itself automatically. In the multilateral trade of former times, when a nation bought of its neighbours more than it could pay for by return shipment, or invisible credits—as Great Britain has recently been doing—its money fell in value in the foreign markets. Great Britain recently has been buying in the markets of her neighbours more than she has been able to pay for by return shipments and invisible credits; as a consequence, irrespective of what her government may have said with regard to it, her money fell on the markets of the world.

There have been times within the memory of every honourable senator when the Canadian dollar was lower in value in the United States than it was at home; and when, if we traded Canadian dollars for American dollars we were charged a rate of exchange, and, conversely, were credited with the exchange when we traded the other way. The rate of exchange varied from day to day, following very closely the fluctuations of the financial balance. During those periods when the exchange rate was adverse, Canadian money had a greater purchasing power in Canada than it had in the United States; therefore, a powerful incentive existed for Canadians to buy at home rather than south of the border. May I give a humble illustration? When for one Canadian dollar we could buy twelve eggs in Canada, and with the same dollar could get only eleven eggs across the border, we ate Canadian eggs—if we could get them. In our factories, whenever possible, we used Canadian parts and materials to make our finished products. In the United States the tendency was reversed, but equally powerful. When an American citizen could buy twelve eggs in the United States for one American dollar, and for the same dollar could get thirteen eggs in the Canadian market, he bought Canadian eggs whenever it was convenient to do so. The same tendency which I have described was operative in factories. The American manufacturer bought Canadian parts and materials for the production of his finished article, whenever it was convenient or possible for him to do so. In other words, when the rate of exchange was unfavourable, it strongly discouraged importing and encouraged exporting, and the free market soon corrected the disequilibrium in our international financial balances. It just naturally happened.

In the years preceding the last Great War, in line with the Fascist and Nazi philosophy which gripped the world at that time—and still does—and in conformity with economic nationalism, the nations of the world joined in a movement to kill all international trade by tariffs, quotas and prohibitions. When the war broke out, most nations, including our own, established a control over currency as well as over commodities—as a war measure of course. In accord with world policy, Canada erected a Foreign Exchange Control Board to which it gave a government monopoly of foreign exchange in our country. We arbitrarily fixed the rate of exchange, or declared parity, which is the same thing, irrespective of financial balances and in defiance of the true or market value of our money. The automatic corrections of a free market were, in consequence, lost to us. Rigidity took their place. When the war ended Canada had in the hands of her Foreign Exchange Control Board $1½ billion in American currency and credits which she had taken from our citizens in exchange for our own money and the government had determined and was maintaining a fixed rate of exchange.

Honourable senators who were in this chamber in 1946 will remember the vigorous resistance which some of us presented to those controls. I refer particularly, and with my hat off, to the honourable member from Vancouver-Burrard, the late lamented and much-missed "Gerry" McGeer. I refer also to the honourable member from Churchill (Hon. Mr. Crerar); and there were others. And I recollect myself expressing "my whole-souled, deep-rooted opposition to the principle of the bill." The bill was carried on division, and the Foreign Exchange Control Board continued to maintain an artificial rate of exchange, making good out of their reserves the losses on each individual transaction. This foolish procedure continued until $1 billion had gone down the sink—$1 billion of Canada's resources. Then of course there was a crisis. Some people in the Department of Finance got up early in the morning—

Hon. Mr. Haig: Or stayed up late at night.

Hon. Mr. Roebuck: No, I think they got up before their eyes were open; and overnight we had a long list of prohibitions against purchases in the United States, designed to kill trade in order to save the remaining half billion dollars of our reserves.

The matter came before this house again in 1947, and I then declared that I would abolish the Foreign Exchange Control Board, root and branch, and leave our foreign exchange, both United States and sterling, to react to its natural normal equilibrium. I closed at that time with this observation:

> The Liberal policy should be the development of a truly and genuinely free economy, in which we may depend upon the genius of our people to restore and maintain the well-being of the nation.

But a free economy is the last thing desired by the bureaucrats of this or any other country. The Marxian philosophy of a controlled economy has prevailed. Canada, Great Britain and all the rest have maintained fixed rates of exchange and have endeavoured to beat the market by all sorts of compulsions and restrictions, quotas, tariffs and so on, which have harassed the business world. For months we in Canada, and the Crippses in England and elsewhere, have been endeavouring, like old King Canute, to sweep back the sea, until all of us have got our feet wet, and some people have been nearly drowned. The trade upon which Great Britain depends for its existence, instead of responding, as it always did in the free markets of the past, has been nearly ruined.

The market, gentlemen, has won in this contest, as it always will win, irrespective of the powers and the egotisms of governments which propose to coerce it. Canada and the United Kingdom have been forced to acknowledge the real facts and to devaluate their money. They have done so in the hope that a nearer approach to the true situation and the actual facts will revive a trade which they themselves have nearly murdered. The arbitrary rate of exchange which has now been announced is nearer than was the past rate to the true worth of the currencies, and I hope it will have the effect that is anticipated; I expect that it will have, in some degree. But I would point out to you, my fellow members, that it is still an arbitrary, inflexible rate of exchange, and that, like the law of the Medes and the Persians, it altereth not—at least until the Crippses say it may. As a consequence you have lost once again that correction which comes from an unrigged market and those natural equilibriums which are so valuable in the carrying on of any business. The world seems to have learned little by its experiences and, instead of returning to the rule of natural law and the impartial adjustments of an unrigged market, it still tolerates its uncrowned Caesars with their monkey-wrench on the balance wheel, with a consequent permanent state of disequilibrium.

Honourable senators, I have spoken a long time, and you have been most patient in hearing me, so in conclusion may I just summarize as follows: I submit, first, that Canada the United States and Great Britain should

reduce their tariffs immediately and substantially; second, that Great Britain should reduce her cost of production by shifting some portion of her internal taxation to fall upon land values, and third, Canada—and her two great associates as well—should abolish foreign currency controls and allow a free market to determine from time to time the rate of exchange. Thus, by liberal policies, may Canada's economy be saved from disaster and Britain may recover the position of leadership in the world of trade and finance, which she occupied so honourably in former years.

Some Hon. Senators: Hear, hear.

Hon. A. B. Baird: Honourable senators, my first duty today probably gives me the greatest pleasure—that of joining with past speakers in extending my heartiest congratulations to the Speaker of this august body. Some of us younger members have not had the privilege of being associated with you before, sir, but we have already been so impressed by your dignity and tolerance that we have certainly learned to respect you.

To previous speakers, for their many kind references to us, who are junior members, I should like to extend my profound gratitude, and to one very far western member especially, who has been a "tower of strength" in my hours of loneliness, I tender my most sincere thanks. While he did bring me down and show me the train of tomorrow, he also kept me from taking it today. May I also congratulate the mover and seconder of the Address in reply to the Speech from the Throne. While I regret that I was unable to follow the speech of the honourable senator from Montarville (Hon. Mr. Godbout), owing to my limited knowledge of the French language, still what I could follow was most inspiring.

Honourable senators, as you know, I am a newcomer to this Senate of Canada. That being so, I feel that it is in order for me to make a few brief remarks by way of introducing myself and the new province that I have the honour to represent. As everyone knows, it has taken Newfoundland's representatives a long time to get here; as a matter of fact, we are some eighty years late. As to their contribution to the future of this nation, I can only tell you that in the past they met the problems of existence with courage and perseverance, and that now, being in the wider field of opportunity that union affords, they are looking to the future with new hope, and a firm desire to pull their weight in this federation of British communities.

In 1869, when the issue of Confederation was first put before the Newfoundland people, they decided to continue seeking their fortune alone rather than in partnership with the rest of British North America. That their decision was wise or otherwise is not for me to say. I do not propose to pass judgment upon them. I do suggest, however, that having chosen to go their way alone, the record of their achievement in the face of bitter odds is not one to be ashamed.

Although we may have lagged behind the rest of North America, we have, when all things are taken into account, made substantial progress during the past eighty years. We do feel proud that when we finally came into the Canadian federation, we came as a solvent community with worth-while things to share. I refer to our fisheries, our forests, and our developed and proven mineral wealth. These and other resources of lesser value make up our material contribution to this partnership. But there is yet another contribution—one which is no less important for being abstract or spiritual; we bring to this nation of Canada three hundred and thirty thousand new citizens with a Newfoundland background of honesty and human worth.

Some Hon. Senators: Hear, hear.

Hon. Mr. Baird: When I refer to the gains that Canada has made by union with Newfoundland, I by no means lose sight of the great social and economic benefits that have come to the Newfoundland people through union with Canada. For them the clock of social progress has gained perhaps fifty years in one. Today the children of Newfoundland have a better chance of developing into healthy and useful citizens than they ever had before; today old age is secure in Newfoundland rather than a nightmare of poverty, as it so often was for many of our people; today we have a more equitable system of taxation, and above all, we have a justified confidence in our future progress and development.

As I have said, it has taken Newfoundland's representatives a long time to get here, and the argument over their coming has been long-drawn out and bitter. The most potent argument used against confederation was that by uniting with a larger country we would lose our national identity, and it has long been said in Newfoundland that if a man is not national he is not anything. This feeling of independence and national pride is understandable in a people who were masters of their own destiny for almost a century. Besides, in our case our very way of life tended to develop a spirit of independence, for no man is more the master of his own destiny than the hand trawler on the Grand Banks or the hook and line man on the coast

of Labrador. However, in spite of all this we decided by the democratic process to join the Canadian confederation and now that we have joined we want to be good Canadians—and we do appreciate the ready way you opened your door to us, the stray sheep of the British North American flock.

For myself, I have always realized the futility of standing alone and trying to compete with the other British communities that had pooled their resources for the common good. But my interest in the confederate idea goes much deeper than that, because I happen to be married to the granddaughter of one of the Fathers of Confederation, the late Sir Frederick Carter, who with the late Sir Ambrose Shea represented Newfoundland at that historic meeting of provincial leaders out of which confederation was born. You can see them in the background of that famous painting of the Fathers of Confederation that hangs in this building. My family is proud of its association with the birth of this nation. It is true that when Sir Frederick put the idea of Confederation before the Newfoundland people in the election of 1869, they saw fit to reject it. His failure in that respect, though, was in no way due to lack of political skill in the presentation of his case, but rather to the fact that as a statesman he was about eighty years ahead of his time. I might add that his failure to bring Newfoundland into confederation perceptibly shortened his days. He died a bitterly disappointed man.

Although I am a newcomer to this Senate, I am by no means a newcomer to Canada. In my day I have visited nearly every province in the dominion, and I have thus had the advantage of seeing this country and its people through the unbiased eyes of a stranger. What I have seen has convinced me that here in this vast and bountiful land lies the future of our British kind. I realize that in a world torn apart by strange isms Canada needs men of tolerance and social vision to guide her through the period of upheaval. I am convinced that today Canada has men of such calibre at the head of the state; and I might say, if you will allow me, that the Right Honourable the Prime Minister has gained the respect and confidence of free men everywhere.

Some Hon. Senators: Hear, hear.

Hon. Mr. Baird: I have heard that here in Canada, as in most countries, there are groups of persons who have fallen so low as to obey the orders of the head of a foreign state, who would tear apart the very foundation of our western civilization and supplant it with paganism and a new form of human slavery whereby the individual must surrender to the state all the personal rights and liberties that have accrued to him through a thousand years of social evolution. I have every confidence that the good sense of the Canadian people will enable them to hold fast to the sheet anchor of their Christianity, and maintain their confidence in an economic system that returns to each a fair share of the wealth produced and allows all men to be free within the limits of civilized conduct.

I assure you that there are no communists in Newfoundland. At least, I have never met any. Furthermore, I do not believe that there ever will be one. When our forefathers came to our island and built a nest in the rock, they were rich in their belief in Divine Providence. They had very little else to sustain them in their battle for survival. But they did survive, and we who have inherited their stony acres have also fallen heir to their simple faith in God and their desire to be free men in a free land.

These, honourable senators, are the qualities of mind which our forefathers brought with them across the sea, and which make up our spiritual contribution to the life of this nation of Canada.

On motion of Hon. Mr. Burchill the debate was adjourned.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, September 29, 1949.

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

Prayers and routine proceedings.

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. Godbout for an Address in reply thereto.

Hon. G. P. Burchill: Honourable senators, I shall not detain the house at any great length, but in view of the impact of recent events in trade and currency on that section of the country which I represent, I should just like to make a few observations.

First of all, I wish to convey to you, Mr. Speaker, my very cordial congratulations on your selection as presiding officer of this chamber. Your selection as Speaker shows that your abilities have been recognized, and I can assure you, sir, that the respect in which we all hold you, and the contribution which you have made since first entering this house, make us all feel happy about your appointment. I wish you a most pleasant and interesting term of office.

I should also like to say how much honourable senators were delighted with the speeches of the mover (Hon. Mr. Godbout) and the seconder (Hon. Mr. Petten) of the Address. The mover, by his eloquent speech, made it quite plain that he will be a distinct addition to the debating talent of this house. The seconder, by his most interesting and informative speech on Newfoundland and its people, made an excellent impression in his maiden effort.

Some Hon. Senators: Hear, hear.

Hon. Mr. Burchill: I should also like to join with previous speakers in welcoming to the Senate the newly-appointed members. As one who comes from the Maritime Provinces, I particularly welcome the honourable senators from our new province of Newfoundland. This session of parliament is an historic one, inasmuch as it is the first to be held since Newfoundland has become part of Canada and representatives from that province have taken their places in both houses of parliament. I can assure the honourable senators from Newfoundland that among their colleagues in this chamber they will find, as I found when I entered as a new senator, a friendly consideration and courtesy on the part of all. I know that, as they become more familiar with their surroundings, they will enjoy the associations that this chamber will bring to them, and will appreciate its work and functions.

As a representative of New Brunswick, let me say that the three Maritime Provinces were delighted to know that Newfoundland, after more than eighty years, had decided to become one of them—a fourth partner. A friend of mine from Saint John, just after the union had taken place, was asked at a meeting in Montreal by a very prominent citizen of that city why there was so much rejoicing in the Maritime Provinces over the union with Newfoundland. It was pointed out to him that union, at the outset at least, was going to cost Canada a heap of money. My friend replied that the only answer he could give was that misery likes company.

I can say to my colleagues from Newfoundland that the traditions, culture and outlook of the people of their sister provinces by the sea are not unlike those of the people of Newfoundland; nor do their political philosophies differ. Honourable senators will find in the Maritime Provinces and in the other provinces, a community of interest which will ensure close co-operation in support of legislation which will build a Canadian nation worthy of the pioneers who laid the foundation, the statesmen who planned it, and the warriors who fought and died for it, and at the same time will safeguard the interests and the aspirations of the people who live in the provinces by the sea.

Of course, in a country with such diversified interests as we have in Canada, every section has its own problems. Our new senators will discover, as I discovered when I came here, that wheat is grown in some of the western provinces—

Hon. Mr. Horner: Hear, hear.

Hon. Mr. Burchill: —and that in late years, especially, there have been some differences of opinion as to the best marketing possibilities for that wheat.

Hon. Mr. Horner: Where does margarine grow?

Hon. Mr. Burchill: Those of us who come from the East have, of course, to be guided as to western opinion by senators from the West, and during the last few years I have been almost persuaded, particularly by utterances of the honourable leader of the opposition (Hon. Mr. Haig) and the honourable gentleman from Blaine Lake (Hon. Mr. Horner), that the farmers of Western Canada thought the government's policy with respect to wheat marketing was very unfair to the farmers and unpopular. But in view of the turn political events in this country since we

last met, I feel that our honourable friends from the West will have to allow us Easterners to infer at least that the majority of western farmers are satisfied with government marketing of wheat and other farm products.

Hon. Mr. Howard: No doubt about it.

Hon. Mr. Burchill: I mention this because, at this moment, as a result of the lack of United Kingdom markets—a matter very admirably dealt with a couple of days ago by the honourable gentleman from Inkerman (Hon. Mr. Hugessen)—we in the Maritimes have a real marketing problem on our hands.

Hon. Mr. Haig: No, no.

Hon. Mr. Burchill: We are a practical example of what the lack of United Kingdom markets can do to Canada. In our section of the country it can affect the standard of living of virtually every citizen in the community, and therefore I can endorse in a very real sense everything said by the honourable senator from Inkerman about the importance of United Kingdom trade to Canada. In my province of New Brunswick, and in Nova Scotia, the business of shipping spruce lumber to the United Kingdom is older than the Dominion itself. Unbroken business connections with British importers —in many cases with the same firm—have been maintained for generations. In short, honourable senators, the business is an integral part of the whole economy of the provinces.

During the war years the industry responded in splendid fashion to the demand for wood and more wood, and exported to Britain every foot of timber that vessels could be found to lift. In the year 1940 exports to Britain reached 400 million superficial feet, and last year nearly 130 million superficial feet were shipped. The industry is geared to supply the sizes and specifications required over there.

Nor is that the whole story. When war broke out our people were asked to supply pit-props, so vital to the British coal industry, as these were no longer available from Scandinavian sources. A purchasing commission was set up by the United Kingdom government at Moncton, and our woodsmen were taught the technique of producing and preparing these props. Since 1940 this business has been most active, and in its various branches in certain sections of the province has employed many hundreds of men and trucks. The work of loading and shipping in itself provides and circulates a great deal of money. Last season about 300,000 cords were shipped from Maritime ports on about 150 ocean tramp steamers.

Now we are advised that, because of the dollar shortage and the drop in prices of pulpwood on the continent, Great Britain's pit-prop requirements will be obtained from Finland and other Scandinavian countries—

Hon. Mr. Horner: And Russia.

Hon. Mr. Burchill: —and that Canadian dollars will be conserved for other commodities not obtained in the dollar areas. Honourable senators will readily see what this will mean to the people of my province, when the means of livelihood of a great many workers disappear overnight.

I would be the last person to criticize the British people or their government, who through the years have endured and spent their accumulations on a war in which everything was at stake for all of us. With all respect for what my friend from Toronto-Trinity (Hon. Mr. Roebuck) said yesterday, I may say that I heard the Archbishop of York, who spoke in Halifax the other day, describe the Britishers as a tired people—tired of bombs and rockets—who, while getting enough to eat, are certainly not enjoying the nourishing food that is served on the tables of our Canadian homes.

Honourable senators, international trade is a two-way street, and it is clear that if we want to sell we must find a way to buy. How badly trade is out of balance was indicated by the figures of 1948, which showed that Great Britain bought $1,600 million worth of goods and sold only $600 million worth to the dollar areas.

In the Maritimes section of this country, where United Kingdom sales mean so much, we would be glad to use more British-made goods. I can see little objection to a *quid pro quo*, if such were possible to arrange. Unfortunately, it is not. We buy most of our goods from Ontario and Quebec; but those provinces buy little, if anything, from us.

Hon. Mr. Haig: Shame!

Hon. Mr. Burchill: With the best will in the world to increase the buying of British goods in the dollar areas, I submit that there are three factors which enter into the picture. The first is price; the second, exchange rate stability, and the third, tariff. On the question of tariff I am prepared to go a long way with the honourable senator from Toronto-Trinity (Hon. Mr Roebuck); but as stability of exchange is essential for the day to day business of trading, I am wondering if we have yet reached a sufficiently normal trading period to allow currencies to find their own levels. At the moment I am concerned chiefly with the factor of price.

I think most honourable senators will agree that the chief reason for the decline of purchases from Great Britain when indications

of a buyers' market appeared, was the failure of the British goods to compete in price with comparable United States and Canadian goods. I can give many instances of Canadian firms who were anxious to buy British goods having submitted their inquiries to English manufacturers only to find, to their dismay, that the price quoted was much higher than that at which the same goods could be purchased from the United States. Many of the British goods on display in the stores of Canadian cities have borne price tags which did not interest the ordinary buyer. While in New York last spring I was informed by the buyer of a large importing house that he had just returned from a buying trip to England almost empty-handed, because he could not pay the asking price and offer the goods for sale in New York in competition with American-made articles.

My honourable friend from Inkerman (Hon. Mr. Hugessen) has said that there is no evidence to support the charge that the cost of social services and of maintaining what is known as the "welfare state," which England has undertaken, has much to do, if anything, with the cost of production. Accepting that theory for the moment, I am not satisfied that there are not factors in such a state which overload the cost figures. There may be psychological factors, and these do not always appear in the balance sheet.

Accepting for the moment, as I have said, the theory of my honourable friend, I want to point out to the house that there is much to justify the argument that unilateral trade is one of the big factors in keeping up costs. Under present circumstances, as you know, England has been obliged to resort to trading on a barter basis with other nations in the sterling area. To convert raw materials so obtained from non-competitive sources into manufactured articles and sell the products in competitive dollar areas is putting too great a strain upon machinery. For that reason the manufacturers for the most part sell in the sterling areas. They are unable to meet the competition of the dollar area countries. It is difficult to see how bilateral and unilateral trading can work together if we envisage a system of world trading.

The problem is difficult, but I am convinced that there is a solution, and that it can be reached by men of good will, determined to find it. If co-operative efforts under the compulsion of war are capable of the amazing feats which conquered a stubborn and powerful foe, surely the same genius in another field can find a way to allow nations to exchange goods in time of peace. I refuse to believe that George Bernard Shaw was right when he cynically declared that "the other planets are using our world for a lunatic asylum".

Indeed, honourable senators, a solution must be found, for there is no alternative; and in our humble way we can assist in bringing that solution nearer. As senators, as leaders of public opinion, and as Canadians in our own individual spheres of influence, in the spirit of the Washington Conference we can endeavour to help people understand that if sacrifices such as tariff reductions are necessary they will have to be made, and that only by the United States and the British Commonwealth of Nations marching together in closest economic as well as political relations can our hopes for our future, the future of our children and the future of our grandchildren be realized.

Hon. Mr. Horner: May I ask the honourable gentleman what he thinks of the suggestion of the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) that there should be a greater tax on timber limits and land in this country?

Hon. Mr. Burchill: I understood the honourable senator to be discussing English, not Canadian politics.

Hon. Mr. Horner: Well, it applies all round.

Hon. Iva C. Fallis: Honourable senators, this is my fifteenth session as a member of the Senate of Canada.

Some Hon. Senators: Hear, hear.

Hon. Mrs. Fallis: I think I have participated in some small measure in practically every Throne Speech debate which has taken place in that time so I had decided that I would keep quiet this year and give the members a rest. But I suppose the eternal feminine desire to talk got the better of me, and there is one piece of legislation forecast in the Speech from the Throne upon which I should like to make a few remarks.

Before doing so, I would join the speakers who have preceded me in extending my warmest congratulations to you, Mr. Speaker, upon your well-deserved elevation to your present position, and to the mover (Hon. Mr. Godbout) and seconder (Hon. Mr. Petten) of the Address in reply to the Speech from the Throne upon the eloquence of their presentations. I would also join those who have preceded me in welcoming the new Senators. But confidentially I must say something to you. I had a few very bad moments the other day when my leader (Hon. Mr. Haig) was welcoming these newcomers. As he was exhorting those of the opposite faith to mine to forget that they were Liberals, I expected

every moment that he would turn around and convey similar advice to those of us who sit behind him, and tell us to forget that we were Conservatives. However, the danger passed and I breathed freely once again. Not that I intend today to make a political speech; nobody would expect me to do that!

Before going on to discuss the piece of legislation to which I have referred, I should like to allude to a statement made by the leader of our party in another place and by the leader of the party in this house, in opening their addresses, to the effect that they would offer the fullest co-operation to the government in putting through any legislation which was for the good of the country. That is a very noble sentiment, and one in which I should very much like to be able to concur. But this is my difficulty: when I think over the events of the last few months, I am puzzled to determine at just what point that co-operation should begin.

For instance, take the question of the devaluation of the dollar. Should we have co-operated with the Minister of Finance last March when he said, most emphatically, in another place that the dollar would not be devalued no matter what the calamity howlers might say—or something to that effect? Should we have co-operated with the Prime Minister, the Minister of Trade and Commerce, and the Minister of Finance during the election campaign when they sneered at and derided anybody who said that a world crisis in trade was approaching very rapidly and that there would have to be a revaluation of currency in this country, and when the Prime Minister even went so far as to challenge anyone to make that the only issue of the campaign? Should I have co-operated then, or should I co-operate now, when the dollar has been devalued?

Take the question of the C.C.F. party in this country. I recall very vividly a year or so ago, when the C.C.F. won two or three byelections in a row, what consternation there was in certain quarters, and how many Liberal senators, many members of the government, condemned the C.C.F. policy as being a menace to this country. Is that the point at which we should have co-operated? Or should we co-operate when the Prime Minister says "Well, after all the C.C.F. are only Liberals in a hurry", or when the member for Spadina (Toronto) says that the C.C.F. makes the promises and the Liberals carry them out? I do not know at which point I should co-operate.

Take the question of housing. Should we have co-operated when the present Prime Minister said last year: "Never so long as I am a member of this government will I be a party to subsidizing housing"? Or should we co-operate now in the new policy introduced in another place, which is certainly subsidized housing.

I mention these in passing as a few examples of the difficulty which I would find in co-operating with a government which so frequently and so completely reverses its policies; and I am sure honourable senators will understand my predicament.

However, the point upon which I really rose to speak for a short time is the legislation forecast in the Speech from the Throne concerning the abolition of appeals to the Privy Council. I appreciate, of course, that the proper time to register approval or disapproval and present arguments is when the legislation in question is before the house; but today I should like to discuss it in a general way and from the viewpoint of a woman, and particularly of a woman who is a member of this house.

If my male colleagues in this chamber would cast their minds back over the events which led to the admission of women to the Senate of Canada, they could not expect me to greet this legislation with any wild enthusiasm because, if it had not been that the citizens of this country at that time had the right to appeal to the Privy Council, I would not today be occupying a seat in this chamber. Perhaps some of you are already saying that it is too bad this legislation had not been passed before, and that it is coming to us twenty years too late. At the time when women were granted the franchise, an editorial appearing in an eastern newspaper ran something like this: "Now that women have been granted the franchise, the House of Commons may as well be prepared to admit them as members, but" the writer went on to say, "fortunately that is a problem which the Senate will never have to face". Well, apparently that writer was neither a prophet nor the son of a prophet, because in due time the problem arrived in this chamber in the tangible form of my colleague, the honourable senator from Rockcliffe (Hon. Mrs. Wilson), to be followed five years later by myself.

Many honourable senators will recall that the question of whether women were to be admitted to the Senate at the same time they were admitted to the House of Commons was referred to the Supreme Court for decision. I think the clause in the British North America Act which refers to the Senate—the legal authorities in this chamber will know better than I—reads something like this: That any person thirty years of age or over, possessed of certain qualifications, is eligible for admission to the Senate. However, these

distinguished and respected gentlemen of the Supreme Court seriously declared with all solemnity, that a woman was not "a person" under the meaning of the Act—

Some Hon. Senators: Oh, oh.

Hon. Mr. MacLennan: Varmints.

Hon. Mrs. Fallis: —and therefore was not entitled to a seat in the Senate. That decision was handed down in all seriousness by men high in the esteem of this country. And we call ourselves a progressive nation! But five able and courageous women from the western prairies, led by Judge Emily Murphy, who up to this point had championed the admission of women to the Senate, were not to be daunted by anything so trifling as the decision by the Supreme Court. They carried their case to the Privy Council, and that body reversed the decision of the Supreme Court and declared a woman to be a "person" under the meaning of the Act. Consequently we were permitted to come in and take a place in the Red Chamber of Canada.

By the way, perhaps some of the new members have not noticed a bronze plaque bearing the names of those five women, which is on the west wall of the ante-chamber of the Senate. That plaque was placed there by the Canadian Federation of Business and Professional Women.

On the eve of making this momentous change and of placing all power in the hands of a Canadian court, I should like to remind my colleagues of something they already know. Sometimes, in order to get the proper perspective of a good painting or picture, one stands back at some distance so that the little details will not interfere with the beauty of the whole. I think it has been that situation with regard to many decisions of the Privy Council. The very fact that they were far removed from the scene of action where they were unhampered and untrammelled by petty arguments and petty influences which might intrude themselves upon the scene here, has enabled them at times to give better and more unbiased decisions than they could have given if they had been at closer range.

I am not intimating by these remarks that I directly oppose this legislation. When my leader (Hon. Mr. Haig) was speaking the other day, he gave one or two very good reasons why the change would be for the better. I can see something of value on both sides, but I definitely cannot see the argument advanced in another place by the Minister of Justice when he introduced the bill. He hung his whole case on the fact that this legislation needed to be passed at once in order to bolster our national pride. I do not like that. It smacks to me too much of an inferiority complex, something with which I have never been afflicted. My national pride does not need any bolstering; I have plenty of it without any assistance from legislation of this kind. I do not like this type of argument. There were arguments put forward by the leader of this side of the house the other day which I think are quite valid. Nevertheless, I think it quite in order for me to bring to the attention of members of this chamber what the right of appeal to the Privy Council has meant to the women of Canada.

I sincerely hope that if and when the change takes place and the Supreme Court of Canada becomes the court of last resort in matters of appeals, the men who exercise the power of making the final decision may have a broader vision than some of their predecessors.

Some Hon. Senators: Hear, hear.

On motion of Hon. Mr. Howard the debate was adjourned.

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 11, an Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1950.

The bill was read the first time.

SECOND READING

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

Hon. Mr. Haig: Honourable members, I object to the bill being read a second time now, and I will state the reason for my objection. I was furnished this morning, as of right, with a copy of the detailed estimates. When we adjourned during pleasure I left these papers on my desk here, but now, on coming back, I find that my desk—and apparently every other desk in the chamber—has been cleared off. I have inquired where my papers are, and cannot find out. On them I had written some figures relating to questions that I wished to ask the acting leader of the government (Hon. Mr. Copp). Those figures in themselves are not important, but I do want the details of the estimates in front of me, and until I receive them I shall object to any further proceedings on the bill.

Hon. Mr. Copp: Honourable senators, I quite understand the point taken by my honourable friend. I do not know who was responsible for removing papers from his

desk, but certainly one would think they could be found and returned. Perhaps we might postpone proceedings while awaiting return of the papers.

Hon. Mr. Farris: Did the honourable gentleman look inside his desk?

Hon. Mr. Haig: I locked it before leaving earlier this afternoon, and it is still locked. All that I keep in there are some copies of old speeches. I have just unlocked it again, and it contains nothing but some of my speeches in cold storage. I would suggest that the Clerk of the House send an official to the distribution office and get copies of the bill and the estimates. Copies are available, for they were sent to members by mail this morning. The Clerk Assistant kindly sent one to me, as I think he did to every other member. The copy I got in that way was the one that I left on my desk.

Hon. Mr. Copp: I think, honourable senators, that we might wait a few minutes to see if my honourable friend's papers cannot be found.

Hon. Mr. Haig: Surely there is another copy of the estimates.

Hon. Mr. Roebuck: Honourable senators, I presume that there is before us a motion to set aside the rules so that we may proceed with second reading of the bill.

Hon. Mr. Haig: No. His Honour the Speaker asked when the bill should be read a second time, and I objected.

Hon. Mr. Roebuck: I think we ought to have some explanation, if we are asked to give second reading today.

Hon. Mr. Haig: If my friend had been listening he would have heard my explanation. I said that when we adjourned during pleasure earlier this afternoon I left a copy of the estimates on my desk, and when I returned the papers were gone.

Hon. Mr. Roebuck: I quite understood what my honourable friend said. My point is that if we are to be asked to give second reading to this bill today, we should have some good explanation from the government benches. I received a copy of the estimates, but I had no idea that we were going to be asked to put them through today. If there is any real reason why we should do that, I think we ought to hear it.

Hon. Mr. Haig: Honourable senators, I now have a copy of the bill, and I am satisfied to go on.

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

Hon. Mr. Copp: With leave, I move that the bill be read a second time now.

Hon. Mr. Haig: Explain.

Hon. Mr. Copp: Honourable senators, this is an interim supply bill, such as comes before us from time to time every session. The explanation that has been put into my hands is along the following lines. On March 31 this year we passed an interim supply bill which permitted the government to carry on the business of the country until such time as the estimates for the fiscal year 1949-1950 could be considered and a final supply bill passed. Except for certain amounts, that supply bill covered one-sixth of the items set forth in the main estimates, or two months' supply. Again on April 7 this house passed another supply bill. Its purpose was to vote certain moneys for the extension of Dominion Government services to Newfoundland, and the amount voted was one-sixth of the supplementary estimates with respect to Newfoundland as tabled in the Senate, or two months' supply. On April 30 of this year we passed another supply bill. When the Prime Minister announced the dissolution of parliament it became evident that further supply would be needed to meet the financial needs of the country until a general election was held and parliament was summoned again. To this end we voted one-third of the main estimates and of the supplementary estimates (Newfoundland). From these three supply bills it can be seen that we voted approximately one-half of the main estimates and of the supplementary estimates (Newfoundland). On a yearly basis this would provide for a six-month period.

That six-months period will expire on September 30 next, and the government is now seeking further supply to carry the country until such time as the estimates are passed and final supply voted. The honourable Minister of Finance indicated yesterday that he hoped this might be accomplished in the other place about the middle of October. With this in mind the government has presented the bill now before us, which, if passed, would vote one-twelfth of the main and supplementary estimates, with certain additional sums. This would be approximately one month's supply, and would carry the business of the government to the end of October.

Section 2 of the bill before us, with the exception of items 43, 419 and 452 would vote one-twelfth of the main estimates. Item 43 deals with western feed grains freight assistance, and the sum mentioned in the main estimates was fully voted. Items 419 and 452 are in the same category. Item 419 deals with the Canadian International Trade Fair, and item 452 with the replacement of materials and buildings destroyed in a fire

at Canadian Arsenals Limited. The total sum that would be voted under this section is $114,516,603.83.

Section 3 would vote $2,613,651.00, or one-twelfth of the supplementary estimates (Newfoundland). This is necessary because, as has been mentioned, Newfoundland was not provided for in the main estimates.

This afternoon I tabled certain further supplementary estimates. As the business of running the various departments of the government progresses throughout the year, it becomes evident that certain estimates made at the beginning of the year were too low and that more money will be needed. In certain cases it is found that the estimates were too high, and that there will be a surplus. It is not possible, however, to transfer the surpluses from those departments that possess them to those that anticipate deficits, and the government must return to parliament to seek further votes to cover deficits. In addition to these deficits, certain expenditures have to be made which the government could in no way foresee at the beginning of the year, and which are largely caused by factors which it does not control. This does not mean that the over-all budgetting of the government is bad, because surpluses realized at the end of the year usually more than balance the total deficits. To cover these deficits and unanticipatedexpenditures, the further supplementary estimates have been placed before you. They cover items either not sufficiently provided for in the main estimates or not mentioned at all.

Section 4 of the bill would vote $5,876,758.33, or one-twelfth of the further supplementary estimates mentioned above.

Section 5 would vote $468,750, or five-twelfths of the item shown in Schedule A to the bill. This item covers the Dominion Government's share of the cost of works already undertaken on the Fraser River Valley, under the agreement of July 22, 1948. This agreement was made with the province of British Columbia to reconstruct and improve the dykes on the Fraser River Valley. This is Vote 907 in the further supplementary estimates.

Section 6 is a borrowing section, and authorizes the Governor in Council to borrow moneys that may be necessary for retiring or servicing debts of the government which fall due in the fiscal year ending March 31, 1950. It in no way authorizes the government to increase the debt of the country.

The statement I have just read came to me from the Department of Finance. Honourable senators know that the passing of this bill in no way prejudices their right to discuss its contents fully when the final estimates come before this house. Ever since I have been a member of the Senate it has been the custom to pass the estimates in this way, rapid though it may seem. The other house has passed this bill and, when it has received favourable consideration by this house, the Deputy of His Excellency the Governor General will come and assent to this and another bill at 6 o'clock. For these reasons, I move second reading of the bill.

Hon. John T. Haig: Honourable members, I have always had a strange feeling when bills for supplementary estimates have been brought before this house. The honourable leader of the government always makes the statement, and it is of course true, that we may discuss the whole problem when the final estimates come before us. But for the fifteen years in which I have been a member of this house the final estimates have not been considered until the last afternoon of the session.

Now, honourable senators, I do not believe that the Senate is making its proper contribution to the discussion of budget matters. I am not so much concerned about the details of the financial business of the country as I am about the general financial policy. I think that the present way of voting supply is a hopeless muddle.

During the past two days we have listened to several speeches in this house: I refer particularly to the remarks of the honourable member from Toronto-Trinity (Hon. Mr. Roebuck) and the honourable member from Inkerman (Hon. Mr. Hugessen), both of whom expressed themselves strongly on the present financial situation. One does not need to be a prophet or the son of a prophet to realize that our country is facing a crisis. If the honourable member from Northumberland (Hon. Mr. Burchill) was correct this afternoon, when he voiced concern for the province of New Brunswick, it appears to me that we shall have difficulty in selling timber to Europe and the United Kingdom. I have noticed the reports—I am not an authority on the subject—that the Scandinavian countries have depreciated their moneys 30 per cent. Great Britain is now negotiating for newsprint and other timber products from those countries, and with our currency depreciated 10 per cent we cannot hope to compete with them for this market.

I listened carefully to the speeches of both the honourable member from Inkerman (Hon. Mr. Hugessen) and the honourable member from Toronto-Trinity (Hon. Mr. Roebuck). I think I got more from the second speaker than from the first. While I may disagree in part with them, I am forced to the conclusion that the sterling countries are in a very difficult position. United States and

Canadian loans and Marshall Plan funds have gone by the board, and Great Britain is in greater difficulties now than ever before. The leader of one of her political parties has said that the field should be wide open so that money can find its own value.

While I agree largely with my friend from Toronto-Trinity, I fail to draw from his remarks, or from those of the senator from Inkerman, what is suggested in the way of a solution. It is so easy to utter high-sounding phrases about Great Britain, because of her part in the war, her sacrifices and the loss of her world investments, and to say that therefore we, or the United States should get behind her and put up the money.

Hon. Mr. Duff: Why not?

Hon. Mr. Haig: I am just stating what has been said on the subject.

Hon. Mr. Duff: What is the solution?

Hon. Mr. Haig: If my honourable friend will just have patience, he will hear what I think about the solution.

Canada faces a grave problem. It affects the western provinces and the Maritimes to some extent, but Ontario and Quebec are little affected. We in the West have one primary product—wheat. Up to the present time it has been largely sold on European markets. My friend from Inkerman (Hon. Mr. Hugessen) referred to the three-way system of trading. Although he did not say so, it would seem to follow from his argument, if one examines it closely, that what Britain received from the United States was used to pay us, and that we used that money to meet our debts to the United States. What he did not mention, though it is the fact, is that for very many years part of the money obtained by Great Britain from the United States was by way of return from investments; and of course large sums came also from investments in Canada. What I want from honourable gentlemen opposite—for the information of the farmers and fishermen of my province, the lumbermen of British Columbia and New Brunswick, the apple growers of Nova Scotia, the potato growers of Prince Edward Island, and other Canadian producers—is a statement of what they propose as a solution of the problem we have run into.

I have listened over the air to many addresses and I have read the very able press of my own city; prior to the 1st of May I heard many discussions in this house and in another place, and later I listened to the campaign speeches of the parties; but as yet I have never heard from the government one suggestion as to how they are going to meet this difficulty. What they say amounts to this: "We have got through crises in the past. Trust us to get through them again." And the people have done so. Now this crisis is upon us, and I want to know how the government are going to meet it.

As the honourable senator from Peterborough (Hon. Mrs. Fallis) said today, the government told us on the platform, in the press, over the radio and in the other place that they would never devalue the money of this country. My honourable friend from Toronto-Trinity (Hon. Mr. Roebuck)—to whom I give the most credit—followed very closely by myself, criticized the government for fixing our dollar at par in 1946. We told them they should have "held the line" at 90 cents. They pooh-poohed the idea; they laughed at us. Well, within two and a half months of the election they have depreciated our currency 10 per cent, and I predict that the bottom is not yet reached; they will have to come down some more. That is our situation. There is no point in using high-flown phrases about what we are going to do for Great Britain. We could spend our time more profitably in trying to decide what we can do for ourselves. That is the problem we have to face.

I am not going to formally object to any of the estimates: it would not have any effect if I did. I would only point out that the estimates before us are on the same fine scale of spending that has prevailed for the past eight or nine years. While the world was a buyer's market and people had to have goods and would pay any price for them, it was easy to drift along.

This afternoon my honourable friend from Northumberland (Hon. Mr. Burchill) criticized the representatives of the West for kicking about the wheat agreement. It may be true that our farmers have done very well, but they were entitled to do a lot better. I realize that it is not necessary to warn the Maritimes, Newfoundland, and the three western provinces that we have got to find some way to sell our primary products. British Columbia, although in a rather different position, is also largely affected. The people of Ontario and Quebec have had cheap living at the expense of the rest of Canada. They need a better understanding of the producers' problems, and the sooner they realize that the better.

We are now faced with the imminent disappearance of the principal markets for our primary products. I protest most vehemently against the attitude af a government who assured us on May 21 that they will not depreciate money and within six months proceed to devalue it. In my judgment the end is not yet. Something is wrong. The government should have a long-term policy and tell the people of Canada what it is.

Recently our ministers went to Washington. One of them, the Minister of Finance, announced, "We shall listen to what the British have to say as to what they want to do." What did the British say? I don't know. They used a lot of high-sounding words, and suggested that we invest our money in the sterling area. But who, if he had any sense, would invest private capital in Britain today, being unable to get it out and with the prospect of having it stuck there forever? Would you do that? Not if you had any brains. Why should anybody invest in any of these countries from which our money cannot be withdrawn? We know that if somebody in Great Britain wants to come to Canada, or go to Australia or some other overseas country, all he is allowed to take with him is a pittance. I do not know the exact amount which may be released per year, but it is not very much.

This, in short, is the situation we in Canada have to face. It is for the government to tell us what their solution is. Some member of this chamber may ask me, "What, Mr. Winnipeg, is your suggestion?" Well, I did not get the country into this mess. I had nothing to do with it. It may be that the government can provide a solution. For the last six or seven years they have taken an astute course; all they have said is, "Wait and see". But I think we are at the end of the waiting period. As an honourable member pointed out this afternoon, no longer can we sell our lumber and timber in the old markets of Europe, and after this year we shall not be able to sell our wheat there, either. I saw an announcement in today's paper that the United States have released $10 million to be spent in Canada for flour. Why, in the wheat and flour industry $10 million is nothing, compared with the $280 million spent this year for 140 million bushels of our wheat, to say nothing of purchases of bacon, eggs, cheese and other products. As for fish, in the presence of the honourable senator from Southern New Brunswick (Hon. Mr. McLean) an expert on this subject, I shall say very little. I do not know half or a quarter as much about it as he does. But I notice in the report tabled here a few days ago that up to the end of March $532,000—which is provided for in this estimate—was spent on a small operation in that product. I do not know how much has been lost up to date. It was announced yesterday that the government undertook to advance a million and a half dollars towards the purchase of apples, principally from Nova Scotia and British Columbia. What about Ontario and Quebec? They produce apples too.

I trust that when the Minister of Finance makes his budget speech he will outline clearly what his policy is to be. I do not want him to tell me that he is not going to devalue money any further, for I shall not believe him if he does. In that respect he is in the Cripps class. Sir Stafford Cripps asserted up to the night before he devalued the British pound that he would never devalue it. The British people credited him with being a steadfast politician. He landed in England on Saturday night, and on Monday morning the pound was devalued. The same kind of thing happened here. There was to be no devaluation; yet now we have it. Are we to have more of it? What is the policy of the government with relation to primary products? How are they going to meet the problem of finding markets?

Incidentally, I wish that somebody in the House of Commons would explain the system which is being worked out to deal with western Canada's oats and barley. I cannot understand the basis on which they are being traded in on the Winnipeg market. If the Winnipeg market means anything, it means that when you sell goods you sell them to a person who demands your product. Surely a man on the Winnipeg market would not put on the board quotations for the seling of oats and barley unless he had some arrangement with the Wheat Board to deliver the commodities. However, this was not intended to be. The idea was to absolutely wipe out the Winnipeg Grain Exchange. The Minister of Trade and Commerce should state publicly what the government's policy is with respect to the Winnipeg Grain Exchange. If he cannot do it, then the leader or deputy leader of the government in this house should do so.

My friends from the rural parts of Manitoba claimed that the elimination of the Winnipeg Grain Exchange would be a great boon to the farmers. But has the Grain Exchange been wiped out? These are some of the questions raised in a budget such as this, and my province is most anxious to be informed about these matters. We want to know what we are going to do with our wheat in August, 1950. We are told that it will be sold under the International Wheat Agreement. Perhaps it will. My honourable friend from Churchill (Hon. Mr. Crerar) knows more about the buying and selling of wheat than I do, so perhaps he can tell us how thirty-nine European countries can be forced to buy our wheat when they have no money with which to pay for it. Countries such as Italy, Greece and Turkey might pay us with their money, but it may only be "a scrap of paper." Our money is certainly slipping towards the same level. The man who paid $4 for a British pound a month ago must feel pretty sick now that the pound is only worth $2.80. A month ago our dollar

was on a par with the American dollar, but today it is only worth ninety American cents. What will our dollar be worth tomorrow?

When we come to the actual budget debate I should like these questions to be answered by the government leader in this house. I am giving this notice now so that neither he nor his deputy can say to me, "At this late stage it is impossible to get the information". If I had my way we would adjourn for a couple of weeks so that my honourable friends would have ample time to gather the necessary information. I think the deputy leader, who is a pretty good parliamentarian, should join with his leader in seeking from the Minister of Trade and Commerce and the Minister of Finance the answer to these questions.

Hon. T. A. Crerar: Honourable senators, the honourable leader opposite (Hon. Mr. Haig) has just delivered another of his vigorous speeches. The only trouble is that it had nothing whatsoever to do with the motion before the house.

Hon. Mr. Haig: I object to my honourable friend's remarks. I was discussing matters related to the estimates before us.

Hon. Mr. Crerar: I repeat that it had nothing whatsoever to do with the motion before the house.

My honourable friend was all for co-operation when he delivered his brief oration on the motion to adopt the Address. I was really touched by the remarks he directed to the new senators, particularly to our friends from Newfoundland. We were told that we must forget partisanship in this house, and forget that we are Liberals.

My honourable friend from Peterborough (Hon. Mrs. Fallis) delivered a most interesting address this afternoon, and as usual her speech was excellent. One of the things she sought light upon was the meaning of this business of co-operation, but I scarcely expected that her remarks would so quickly produce an effect upon the leader of the opposition. He criticized the government here, there and everywhere and, although he may be right in his criticism, he was talking about matters entirely outside the bounds of this motion. What is this motion? It is not a budget debate.

Hon. Mr. Haig: I rise to a point of order. This is a supply bill, and this is a budget debate; therefore I am entitled to talk about anything I like. I would ask for a ruling.

Hon. Mr. Crerar: It is not necessary to get a ruling.

Hon. Mr. Haig: My honourable friend did not challenge my right to speak before, but he is doing so now. This is certainly a budget debate.

Hon. Mr. King: You have made your speech.

Hon. Mr. Crerar: This is not a budget debate. What is before us is not legislation to increase or reduce taxation in any form. It is a motion to vote supplies to His Majesty, in order that the business of this country may be carried on. That is what this is, and my honourable friend would realize this perfectly well if he would give the matter his usual full reflection.

Honourable senators, I admit that at the proper time there may be room for wide debate on questions such as the marketing of oats and barley. I agree, too, that our export and import problems are vital, and I do not particularly quarrel with the essence of what my honourable friend stated so vigorously. I agree with him that the government should give more detailed information; but I say that much of what the leader opposite has said does not come within the motion before us. As the deputy leader (Hon. Mr. Copp) explained, the motion is to grant one month's supply to His Majesty. This money is being sought so that, among other things, salaries can be paid, coal can be purchased for the heating of government buildings, and the expenses incidental to running the business of this house can be paid. If these funds were not voted, the money to pay the indemnity of my honourable friend for the coming month would not be available. It would be a sad thing for me—though perhaps not for my honourable friend—if the money were not available to pay that portion of the indemnity which is due us at the end of October.

Hon. Mr. Farris: Argument *ad hominem*.

Hon. Mr. Crerar: I might even have to go to my honourable friend from Vancouver South (Hon. Mr. Farris) to see if I could raise a loan.

Some Hon. Senators: Oh, oh.

Hon. Mr. Crerar: I think it is important that we keep our discussion as close as possible to the matter in hand. I had not the slightest intention of rising to my feet, but my honourable friend delivered a rather heavy attack upon the government in relation to matters that have nothing to do with this motion, and it is for this reason that I have made these observations.

Hon. Mr. Farris: Honourable senators, I am sorry to disagree with the last speaker. I by no means concur in all that was said by my honourable friend opposite (Hon. Mr.

Haig), but he made a mighty good speech, and the more speeches of that kind we have in this house the better.

Some Hon. Senators: Hear, hear.

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 move that the bill be read the third time now.

Hon. Mr. Roebuck: Honourable senators, I am not going to object to the passage of this measure today, because, as was said by the senator from Churchill (Hon. Mr. Crerar), we are required to vote the money in order that His Majesty's business may be carried on. But I do agree with what was said by the senator from Vancouver-South (Hon. Mr. Farris). On a motion for second reading of a supply bill, as I understand the rules, the debate is unrestricted, and therefore the leader of the opposition (Hon. Mr. Haig) was entirely within his rights in roaming over the government's record and the general situation. That is a purely academic point at the moment, for the speech has been delivered.

But the matter is important, because there are on the floor of the house others who might have had something of a general nature to communicate to their fellow members if we had been given fair notice that the debate was coming on this afternoon. It seems to me that all the exigencies of the situation might have been met, and a little more courtesy shown to members of the house in arranging matters. If, for instance, we had been notified this afternoon that the purpose of our reassembling at 5 o'clock was to pass a supply bill, certain members might have been ready to make an address on some general subject of interest, as is permissible in the circumstances. The leader of the opposition says that the present practice has been going on for fifteen years. That does not justify it.

Hon. Mr. Haig: I did not say it did. I was not trying to justify the practice.

Hon. Mr. Roebuck: I understand that. The fact that the practice has been going on for fifteen years is a very good reason why it should cease. In future when it is necessary to vote supply senators should have an opportunity to take advantage of the rule whereby debate on all kinds of matters is permissible, just as it is when we are debating the motion for an Address in reply to the Speech from the Throne. With that admonition for the future to the government benches, I am ready to vote for this measure.

Hon. Mr. Haig: Question.

Hon. Mr. Copp: Honourable senators, the remarks made by my honourable friend from Toronto-Trinity (Hon. Mr. Roebuck) are more or less a reflection upon me for my failure to give the house notice before we adjourned during pleasure that the purpose of our meeting again this afternoon was to consider the interim supply bill. I intended to give that notice, but when His Honour the Speaker rose at the adjournment of the debate on the Address, he had in his hand a paper which I thought was the supply bill from another place, and I intended to make a few remarks after the first reading. Also, when we adjourned during pleasure I took it for granted that all senators knew the purpose of our doing so; otherwise I certainly would have a statement about it. I trust this explanation will be satisfactory to my honourable friend from Toronto-Trinity.

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

THE ROYAL ASSENT

The Hon. the Speaker informed the Senate that he had received communication from the Assistant Secretary to the Governor General, acquainting him that the Right Honourable Thibaudeau Rinfret, acting as Deputy of His Excellency the Governor General, would proceed to the Senate Chamber this day at 6 o'clock for the purpose of giving the Royal Assent to certain bills.

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 amend the Criminal Code.

An Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1950.

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, October 4, at 8 p.m.

THE SENATE

Tuesday, October 4, 1949

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

Prayers and routine proceedings.

WEST COAST TRANSMISSION COMPANY

PETITION

Hon. J. W. de B. Farris: Honourable senators, I beg to present the petition of the West Coast Transmission Company Limited, praying that the Senate may be pleased to refuse the petitions of certain parties named herein to be incorporated to construct and operate gas pipe lines in Canada.

Hon. Mr. Haig: May I ask my honourable friend if that is in opposition to Bill E, an Act to incorporate Alberta Natural Gas Company?

Hon. Mr. Farris: Yes.

BRITISH NORTH AMERICA ACT AMENDMENT

ADDRESS TO HIS MAJESTY—NOTICE OF MOTION

Hon. Mr. Robertson: Honourable senators, I beg to give notice that on a future date I shall move that a humble address be presented to His Majesty the King in the following words:

To the King's Most Excellent Majesty:

Most Gracious Sovereign:

We, Your Majesty's most dutiful and loyal subjects, the Senate of Canada in parliament assembled, humbly approach Your Majesty, praying that You may graciously be pleased to cause a measure to be laid before the Parliament of the United Kingdom to be expressed as follows:

An Act to amend the British North America Act, 1867, relating to the amendment of the Constitution of Canada

Whereas the Senate and Commons of Canada in Parliament assembled have submitted an Address to His Majesty praying that His Majesty may graciously be pleased to cause a measure to be laid before the Parliament of the United Kingdom for the enactment of the provisions hereinafter set forth:

Be it therefore enacted by the King's Most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:

1. Section ninety-one of the British North America Act, 1867, is amended by renumbering Class 1 thereof as Class 1A and by inserting therein immediately before that Class the following as Class 1:

"1. The amendment from time to time of the constitution of Canada, except as regards matters coming within the classes of subjects by this Act assigned exclusively to the Legislatures of the Provinces, or as regards rights or privileges by this or any other constitutional Act granted or secured to the Legislature or the Government of a Province, or to any class of persons with respect to schools or as regards the use of the English or the French language."

2. This Act may be cited as the British North America Act, 1949 (No. 2), and the British North America Acts, 1867-1949, and this Act may be cited together as the British North America Acts, 1867-1949 (No. 2).

It is in language similar to that of the resolution which appears in the Votes and Proceedings of another place, and I intend to proceed with it some time next week.

DIVORCE COMMITTEE

ADDITION TO PERSONNEL

Hon. Mr. Robertson moved that the name of the Honourable Senator Golding be added to the list of Senators serving on the Standing Committee on Divorce.

The motion was agreed to.

BANKRUPTCY BILL

FIRST READING

Hon. Mr. Robertson presented Bill F, an Act respecting bankruptcy.

The bill was read the first time.

SPEECH FROM THE THRONE

ADDRESS IN REPLY

The Senate resumed from Thursday, September 29, consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. Godbout for an Address in reply thereto.

Hon. Wishart McL. Robertson: Honourable senators, it is always a pleasure to welcome new senators to this house, and I desire to extend a hearty welcome to those honourable gentlemen who have come here for the first time this session. It is, I think, a matter of gratification to us all that two of the new senators assumed the responsibilities, respectively, of moving and seconding the Address in reply to the Speech from the Throne. I desire to join with the speakers who have preceded me in this debate in offering heartfelt congratulations to the mover (Hon. Mr. Godbout) and the seconder (Hon. Mr. Petten) upon the excellent presentations they made. The mover is well known as a distinguished public man, one who in the past held the high office of Premier of the province of Quebec. With his wide experience in public affairs and a keen appreciation of their importance he combines great generosity of heart, and I do not think anyone would deny that his appointment is a great acquisition to this house. The appointment of the seconder is also a great acquisition to the Senate. He has the distinction of representing Canada's tenth and newest province, Newfoundland. As I listened to the mover and seconder I was

reminded that one represents a province wherein lives a large portion of the people of one of our two great races which have lived together in what is perhaps an unexampled state of good will, and the other represents a formerly separate country which, perhaps naturally, relinquished with a certain amount of regret a degree of its sovereignty to become part of the Dominion of Canada for the greater good of all concerned. Those two individuals typify a great meeting of the minds of men which will, through the years, have a profound effect on civilization.

I welcome those honourable senators who come to us from, if I may use the expression, old Canada, and also those from the new province of Newfoundland. I am sure the people of Canada extend to you a welcome hand. Coming as I do from the province of Nova Scotia, where in the old days public opinion did not take too kindly to confederation, I can perhaps extend a warmer welcome to the members of Newfoundland. I hope you have made no mistake in joining with us, and I am sure we did not err in inviting you to become our tenth province. As has been so eloquently stated, it was the people of Newfoundland and their outstanding characteristics, and not her natural resources, that brought us together. We wish you well, and we know you will contribute much to this great country.

I wish to say a word of appreciation to the honourable leader opposite (Hon. Mr. Haig) for his remarks concerning myself. Our relations in this house have been very happy. We all know that he enjoys a position of prominence in the business and professional life of his community, but some honourable senators may not know that he is a chief of the Sarcee Indian tribe. Also, he is a famed curler. One is surprised that a man of his many parts and qualifications should sometimes fall by the way in political matters. Nevertheless, his great contribution as the leader of the other side of this house strongly outweighs any possible failure on his part to see clearly in political questions. I wish to express publicly my appreciation to him and to his deputy leader for the special contribution they have made to the work of this house in the carrying on of a most arduous committee. At the commencement of each session I am terrified by the fear that these honourable gentlemen may, as they very well might, wish to be relieved of their responsibilities in that respect. Needless to say, when committee chairmen have been appointed I breathe a sigh of relief. For the information of honourable senators I may say that at the opening of this session the honourable leader opposite expressed, for the first time, his wish to be relieved of his heavy duties as a committee chairman. I had no argument in answer to his protest, because he has served faithfully and well. I did, however, say that if he would continue for this session I would do all I could to see that he was relieved of these duties at the end of the session. I express my appreciation of his co-operation, and I hope that some solution of the problem will be found.

Hon. Mr. Farris: Make it clear that reference is to the divorce committee.

Hon. Mr. Robertson: I recently had the great pleasure of hearing a senior member in the other house state that the government is now prepared to provide the Prime Minister of this country with an official residence.

Some Hon. Senators: Hear, hear.

Hon. Mr. Robertson: I referred in this house once before, I believe, to this very matter. I have always felt very keenly about it. I believe that most people thought long ago that such provision should have been made, although it may be that formerly it was less urgent. But no matter who is Prime Minister of Canada, the great and honourable position he occupies should be fittingly recognized. More and more, people of prominence in other lands are visiting this country. While wealth is no bar to being Prime Minister of Canada, broad and long, down through the years our Prime Ministers have not been men possessed of ample means; and to my mind it is grossly unfair that a man who, perhaps at much sacrifice, has accepted the call to assume these great responsibilities, should also be burdened with the necessity of providing himself and his family with a home here for whatever period he may be in office. I believe I can say without political bias that this consideration applies particularly to the present incumbent, the Right Hon. Mr. St. Laurent. At his time of life he might well have declined the responsibility of leadership and returned to the practice of a very lucrative profession; but at the request of his party he continued in political life as leader. I am most hopeful that this provision will be made in the very near future.

I want to thank the leader of the opposition (Hon. Mr. Haig) for agreeing that I should continue the debate at this time, following my unavoidable absence a week ago. Had I, as is the custom, risen to speak immediately after the speech of the leader opposite, I should have devoted quite a little time to the subject of the trade crisis, which is sometimes, though improperly, called the British trade crisis, because its scope is wider and affects us all. However, after reading in *Hansard* the excellent speeches on this subject which were delivered in this chamber by various honourable senators, and having observed the

points they made the completeness with which they dealt with it, I feel that there is little that I can say without going over the ground already covered. All I wish to do is to emphasize one or two points which occurred to me in reading their respective speeches, and then to say a word or two on the question of devaluation.

I am glad the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) is in his seat, because, in dealing with what he said about the crisis, and attaching to his words—which I shall quote—the interpretation they seem to bear, I realize that they may not express exactly what he meant. He is here to correct me if I am wrong. The house will recall the excellent presentation he made. The point to which I propose to allude is of vital importance in connection with this very serious predicament in which we, in common with the other great trading nations of the world, now find ourselves. On September 28 the honourable senator from Toronto-Trinity, in referring to the seriousness of the situation said, in part, as reported on page 51 of *Hansard*:

> It is peculiarly a disaster to Canada because, in the three-cornered trading system of the past, Canadians have paid the net debit for the many commodities purchased by us in the United States by our sales in the British market, and the United Kingdom squared her account with us—and incidentally ours with the United States—by the excess of her exports over imports in her dealings with the United States.

As I see it, the honourable senator from Toronto-Trinity would be quite correct if he included the exports of the whole sterling area as well as those of the United Kingdom. We always sold more to Britain than we bought from Britain, and we always sold less to the United States than we bought from the United States; and the trade was balanced by an excess of exports from all sources in the sterling area over imports from the United States. It is important to draw this distinction because, if my honourable friend was merely referring to the United Kingdom, I would point out that year in and year out Britain's exports to the United States have never exceeded her imports from that country. Actually, Canada's trading position with the United Kingdom has been exactly the same as that of the United States. Perhaps there has been a degree of difference, but always there has been a deficit. This is not a vital matter but I wanted to clear up the point, because there is the implied suggestion that if, before the war, it were purely a matter of Britain's exports to the United States exceeding her imports from that country, our position would be the same as it formerly was just as soon as pre-war conditions of trade return between the United States and the United Kingdom. The distinction is definite, and was dealt with quite clearly by my honourable friend from Inkerman (Hon. Mr. Hugessen) and I refer to it because it has some bearing on what I intend to say later. As honourable senators know, Great Britain has practically been the banker for the whole sterling area. In addition to her own exports to the United States as a source of dollars, she has had the inestimable advantage of having three other sources which she utilized in paying the deficit to the United States as well as to ourselves.

I read now from the remarks of the honourable senator from Inkerman (Hon. Mr. Hugessen), which appear at page 47 in Senate *Hansard*.

> Before the war India and other countries of the Near and Far East which are comprised in the sterling area imported very little from this continent.

That is to say, from the dollar area.

> In fact they sold a great deal more to this continent than they bought from it. In other words, as members of the sterling area they had a large dollar balance in their favour, and that dollar balance was in fact so large that it is said to have made up for Great Britain's own dollar deficit. But since the war that condition has completely changed. India and the other countries of the Near and Far East now demand the goods of this continent. They import today a great deal more from this continent than they export to it, and instead of helping to make up Great Britain's deficit of dollars they account on their own for an additional deficit estimated at about £100 million a year.

I am sure my honourable friend from Inkerman is correct. Honourable senators probably received a copy of addresses made by the Right Honourable Harold Wilson, President of the United Kingdom Board of Trade, who visited this country on behalf of British trade. In speaking to the Institute of Export on his return to the United Kingdom, he corroborated this point. I quote from his remarks:

> We are in fact today paying for a far higher proportion of our dollar imports by our own exports and re-exports than we were before the war, but other means of financing the deficit we had then, the income on our dollar investments and the vast proceeds of sales of sterling area produce, are not able to make their pre-war contribution in the post-war world. Before the war our sales of sterling area produce to the United States were enough, taken together with our investment income and other invisibles, not merely to bridge the whole of our trading deficit with the United States but also to provide a large surplus of United States dollars with which to bridge our gap with Canada. But one essential prop of that pre-war quadrilateral system, sterling area sales to the United States, has been virtually knocked away.

Honourable senators, what I mean to suggest is that two of the major sources which were at Britain's command in pre-war days, and which enabled her to adjust her trade deficits with ourselves and the United States, have disappeared, and probably will not

reappear for a long time—indeed, probably not during the lifetime of any honourable senator here. There is no escaping the fact that if, in the future trade economy of Canada, it is deemed desirable to continue to sell a considerable amount of our surplus to the United Kingdom, we cannot expect to return to conditions prior to the war, when we did not have to take a considerable amount of British goods. However painful it may be, we must recognize this fact, because trade habits established over a long span of years are not easily altered. Trade habits are not changed as far as the producers, who have been used to selling in other markets, are concerned; they are not changed as far as the buyers are concerned; and it becomes a painful process to the buyers if they have to take an additional one, two or three hundred million dollars' worth of goods from the United Kingdom in order that we may maintain even our present level of exports to that country.

As the senator from Inkerman (Hon. Mr. Hugessen) summed it up, devaluation is only a start on a very long and tedious road. I can already see signs of difficulties that will arise. My honourable friend from Northumberland (Hon. Mr. Burchill), in an excellent speech, pointed out that already there are difficulties in the Maritime provinces, where we have almost completely lost our market for apples and for lumber, and said that we would buy British goods if the British kept their prices down. I do not know that I am quite so optimistic.

Hon. Mr. Haig: You had better not be.

Hon. Mr. Robertson: I could point to instances right in my own city of Halifax, and the city of Saint John, where British goods of certain types are offered at a much lower figure than they can be produced in this country; and yet our economic policy requires that they be manufactured here. The simple theory which has dominated a great deal of the thinking on this continent—Let us manufacture goods here, so that we will have the resulting employment—is very easy to grasp and hard to refute, on the face of it. In the past we have enjoyed a relatively good time in this country, in that we have had a ready market for our surplus and at the same time have been able to develop a great deal of production here and have our deficit made up, from sources which are no longer available. We are now brought face to face with the fact that if we are to continue selling to the United Kingdom we must buy from her to a much larger extent than in the past. I do not think there is any escape from that.

Now I turn for a few moments to the question of exchange control and devaluation, which was referred to by various speakers in this debate. Honourable senators will recall that immediately on the outbreak of war our exchange was placed under control, by virtue of the War Measures Act. The British pound was devalued to, I think, $4.04 in terms of the American dollar, a discount of about 20 per cent, and our own dollar was devalued about 10 per cent, to a rate which was maintained during the whole period of the war. Early in 1946 a bill was passed giving statutory form to foreign exchange control. There was a good deal of discussion and difference of opinion about it, but the measure became law, subject, I think, to a three-year limitation imposed by the Senate. This Act was extended last spring. Several speakers in the debate have suggested that the controlling of our exchange was an entirely wrong policy for the government to have adopted, but I have not heard anyone who takes that position explain how, in the light of our general participation in world affairs and of our search for a stable recovery, the government could have done otherwise. It will be recalled that just before the end of the war, or soon afterwards, the thirty or forty nations with which we were allied, led by the United States and Great Britain, realizing or believing that in the period of transition after the war there might well develop a chaotic condition with respect to exchange, sent delegates to a meeting and agreed, after a great deal of discussion, to become members of an international monetary fund. The powers given to the organization were very wide; but its main purpose was, within reasonable limits, to stabilize world currencies. A few countries did not co-operate in the setting up of the fund, and I suppose Canada could have refused to do so; but I find it difficult to believe that a country occupying our position in world affairs, and particularly in world trade, would not give its wholehearted support to any such movement designed to stabilize currencies. However, whether rightly or wrongly, Canada's representatives participated in the discussions leading to the formation of the International Monetary Fund and subsequently, with the authority of parliament, Canada became a member of the fund. I shall not go into details now. Honourable senators will recall that the fund fixed the rates of exchange, which the countries concerned had a right to increase or decrease up to 10 per cent without the consent of the fund. It was provided that if any country was faced with a certain condition—I think the term was "a fundamental disequilibrium"

—it could apply to the International Monetary Fund for approval of a change in the rate of exchange from that set by the fund, and any such application could be granted or rejected.

At the moment these details are not very important. But honourable senators will recall that complementary to the establishment of the International Monetary Fund there was another great effort made, at the Geneva Conference, to get the wheels of international trade moving. At that gathering, despite a good many restrictions of one kind and another, there was worked out a system of tariff reductions, through which we received conceivably important concessions in the American market. The general agreement on tariffs and trade reached at the Geneva Conference set up the International Monetary Fund as the regulating body in matters of foreign exchange. It must be quite obvious to honourable senators that if Canada or the United States or any other great trading country reduced its tariffs in favour of another country to a degree greater than that which could be made without the consent of the International Monetary Fund, the question would at once arise whether the benefits so created in favour of any country would not be immediately nullified in the event of a severe currency depreciation. So it was part and parcel of the agreement with regard to reduction of tariffs that there should be control of exchange within certain limits; and, as I said a moment ago, the International Monetary Fund was set up as the regulating body. Now, it is possible to become a party to the tariff agreement without being a member of the monetary fund, but in such case article XV, section 6, of the tariff agreement says that a party not a member of the monetary fund must enter into special foreign exchange agreements with any party with which it wishes to contract. The same section further provides that any signatory to the tariff agreement who ceases to be a member of the monetary fund shall immediately enter into foreign exchange agreements with any parties it contracts with. These exchange agreements must set a rate of exchange for the currencies involved. Once this rate is set and the exchange agreement concluded, section 6(b) of Article II of the tariff agreement becomes operative. It provides that once such an agreement is made to set the rate of exchange between currencies, then any changes in such rate of exchange shall be governed by the same rules that apply to changes in the rates of exchange of members of the monetary fund. Thus, once the exchange rates are set by agreement, the parties are, for all practical purposes, members of the monetary fund, with the one important exception that they have no voice in the regulation of the fund.

In other words, honourable senators, should we elect to withdraw from the International Monetary Fund, and at the same time wish to enjoy certain advantages in the United States market, it is quite within the power of the fund to require us to act in the same way as if we were members. Of course if we choose to play the part of the lone wolf, and be entirely indifferent to tariff regulations of other countries, that would be a different matter.

Hon. Mr. Farris: May I ask if the International Monetary Fund consented to the reduction by 10 per cent of the Canadian dollar?

Hon. Mr. Robertson: No consent is required for a devaluation of 10 per cent. Of course the devaluation of British currency by 30 per cent obviously requires consent.

Hon. Mr. Euler: Did the fund consent to the reduction of 30 per cent in the case of the British currency?

Hon. Mr. Robertson: Yes, it consented. Indeed, in the report of the fund, issued a few days previous to the devaluation it urged Great Britain to devalue. I do not say that she was urged to devalue by 30 per cent, but she was certainly requested to devalue to some extent. Inasmuch as the request was made, I fancy that the directors had been considering the case for some time, and consent was quickly given.

Hon. Mr. Euler: Was the procedure the same with regard to the other countries which devalued their currencies much more than 10 per cent?

Hon. Mr. Haig: If they belonged to the fund, the procedure would be the same.

Hon. Mr. Robertson: Yes; they all asked for authority.

Hon. Mr. Euler: For instance, Argentina's currency went down 40 per cent.

Hon. Mr. Robertson: I do not know that she was a member of the International Monetary Fund. I am not sufficiently versed in the law in that respect to know all the intricacies of the agreements and regulations surrounding the fund.

I have been interested in one point for which I have not been able to find the complete answer. It is this: If Britain asked for and obtained the consent of the fund to devalue her pound by 30 per cent, and her exports to the United States were substantially increased, would the fact that the fund

agreed to the devaluation remove the possibility of the United States taking dumping action aaginst such an extreme devaluation? As I say, I have not been able to find the answer, but from my reading I am inclined to think that in the case of any devaluation in excess of 20 per cent—

Hon. Mr. Haig: In excess of 10 per cent.

Hon. Mr. Robertson: I am speaking of devaluation of over 20 per cent. I understand that even with the consent of the fund, should the United States, for instance, protest that the price at which goods were being shipped to her constituted dumping, she would be entitled to ask for and make new agreements with respect to the devaluation of more than 20 per cent. I do not express that as a final opinion on the matter; I merely call the attention of honourable senators to the fact that the whole Geneva Trade Agreement contemplates some control of currencies, either through the medium of the International Monetary Fund or by separate agreement.

It may interest honourable senators to know that at the moment there are 46 countries represented in the fund. I know of only three countries which currently are not members—Burma, New Zealand and Southern Rhodesia. The fund has a large membership, and apparently contributes to a general world currency stabilization.

Concerning the question of whether or not we should control our foreign exchange, I would say that under the extraordinary conditions which we faced following the recent war, and which we may now face, the collective opinion of a great many countries seems to favour control.

Hon. Mr. Farris: Is it true that if Canada withdrew her support from the Canadian dollar, she would either have to withdraw from the International Monetary Fund or get its consent?

Hon. Mr. Robertson: Yes. I think the actual agreement covers capital movement and not moneys used currently. There are one or two alternatives open to Canada. If she remains a member of the International Monetary Fund she must undertake to control her foreign exchange. Should she withdraw from the fund, and wish to enjoy certain benefits extended by other countries, she must enter into agreements which require her to do practically the same as if she were a member of the fund.

Hon. Mr. Haig: As I understand it, South Africa belongs to the monetary fund?

Hon. Mr. Robertson: I think so.

Hon. Mr. Haig: And she is now selling gold at very much above the average price. The United States, I understand, wants her to stop doing so, but South Africa refuses to change her policy in this respect. Is any machinery provided for taking action in such a situation?

Hon. Mr. Robertson: I thank my honourable friend for the question, because by it he gives me credit for knowing a great deal more about this complicated question than I actually do know.

Hon. Mr. Haig: I was not trying to catch my friend.

Hon. Mr. Robertson: I do not know the answer. I would point out that this whole question and its related subjects are of tremendous importance, and could very well provide an excellent ground of activity for one of our committees.

Hon. Mr. Euler: I am reluctant to ask a question which the honourable leader might not be reasonably expected to answer. Of course it is quite all right if that is the case. I would refer again to what the honourable senator from Vancouver South (Hon. Mr. Farris) said. As England has devalued 30 per cent, and Canada 10 per cent, the Britisher gets an advantage of 20 per cent in the Canadian market. May Canada, if she so desires, compensate herself for that differential by an increased tariff?

While I am on my feet I might also ask another question. I am informed that Britain subsidizes some exports to this country. One of these products is leather; there may be others. Could we under these circumstances provide for a dumping duty? Or, as I have said, can the tariff be increased to compensate for that difference of 20 per cent?

Hon. Mr. Robertson: Realizing my responsibility for what I say in answering the honourable senator's question, I should like to make it clear, that I am giving only my own interpretation of the provisions.

Hon. Mr. Euler: Perhaps I should not have asked.

Hon. Mr. Robertson: I am loath to give too positive an opinion because, as anyone who reads them will find, the provisions are very involved. But as I understand them, the right under the agreement to take action arises only when the difference is over 20 per cent, and therefore, since we devalued 10 per cent and Britain 30 per cent, it would not apply in the case my honourable friend refers to.

Hon. Mr. Euler: But would it not apply if the British manufacturers receive a subsidy?

Hon. Mr. Robertson: Apparently the spirit of the thing is that the permission to devalue at a higher rate than 10 per cent represents an attempt to adjust a fundamental disequilibrium. As a matter of fact, United States monetary authorities, as well as a great many people in this country, were saying to Britain "You must devalue." As I understand it, according to the spirit of the agreement, if the United States or Canada could show that the price at which an imported article was being offered for sale in those countries clearly amounted to dumping as defined in the tariff Acts, they would have the right to approach the exporting country and ask for a new arrangement with regard to that particular item.

Hon. Mr. Euler: But they could not apply a dumping duty?

Hon. Mr. Robertson: I would not undertake to answer that question, because I do not know.

Hon. Mr. Baird: I have noticed in looking over items in price lists which have been received from English exporters since devaluation, that the prices are just in line with those of Canada. Previously they were very much out of line; and it is evident that the British do not want to get down to a basis of dumping, they merely want to enter on a fair footing. As regards the three or four different items in which I happen to be interested, they are quoting Canadian prices.

Hon. Mr. Robertson: Probably there is a great deal in what my honourable friend says. It is commonly known that one of the great difficulties encountered in getting the British manufacturer to ship to the dollar area was that either he lost money by doing so or his margin of profit was very much lower than it was within the sterling area. Of course, to the ordinary British manufacturer, his country's need of dollars is an abstract question. He will never see the dollars; all he sees is sterling; and business is business. The price may be the same as ours, as my honourable friend from St. John's (Hon. Mr. Baird) has said, but the British manufacturer may have to ship with prospects of a smaller profit than he can get elsewhere.

I wish now to refer briefly to the question of whether the government was right or wrong in restoring the dollar to par some months after statutory control of exchange was obtained. In matters of this kind there is always room for argument, but, as a member of the government which took the action, I am confident that, all things considered, it was a wise course at that time.

Now I would deal with the present devaluation. Let me suggest what benefits have accrued to us. First, in the intervening period very considerable quantities of goods have been acquired to replenish the capital equipment of this country: also, large amounts of consumer goods have been purchased. May I remind honourable senators that one effect of changing the value of the dollar from 90 cents to par was to reduce the tariff 10 per cent. I am bound to admit that what has taken place recently has had the reverse effect. But in the intervening period capital equipment required in this country, amounting to many hundred of millions of dollars, was obtained for 10 per cent less than would otherwise have been the case. So much from the importation point of view. From the standpoint of exports, I doubt whether the effect was materially adverse. Theoretically it became more difficult for our exporters to do business. Honourable senators will remember that as regards one of our most important exports, namely pulp and paper, it was so much a sellers' market that almost automatically our producers secured from American customers an increase in the price of newsprint corresponding to the loss resulting from the alteration in the exchange value of the dollar. I presume this increase would not have been obtained if the dollar had been left where it was. Of course certain gold interests were injuriously affected, but some of them were compensated by subsidy to practically the extent of their losses. Had the dollar remained where it was, I do not believe that our exports to the United States would have been much increased. Remember, during the greater part of that period we had very little to sell. Rightly or wrongly, our great surpluses were involved in the food contracts with Great Britain.

Again, had the dollar remained at a 90 cent value, it would have been incorporated in our economy in the intervening period upon that basis, and when the crisis arose upon the devaluation of the pound, the urge to devalue the dollar would probably have been as great as has occurred with the dollar at par. I do not deny that there are arguments the other way; but thinking upon the action which has been taken and its possible effects, good or ill, and realizing that it is only one factor bearing upon the general business of this country, I believe that if bringing the dollar back to par did not do this country any great good, neither did it do any great harm.

Almost four years ago I was first entrusted with the responsibility of being government leader in this house. I remember the occasion as well as if it were yesterday. When I first appeared here in that capacity I had already attended a few government meetings, and

was impressed by the serious problems with which this country was bound to be faced in the ensuing four years. Had I then prophesied to this house anything that has happened in the intervening period, I should have thought that I was a very rash prophet. But I want honourable senators to remember that in the intervening period one and three-quarter million people have been absorbed into peacetime activities. There have been more jobs than workers, and we have brought into Canada hundreds of thousands of immigrants. Business has been better than ever before. The cash income to farmers last year was four times what it was in 1938. Our finances, private and public, are in excellent shape. Our people have been able to save money, and at present there are 7 million bank accounts, 2½ million more than ten years ago, and there are $2½ billion more in these accounts. Last year we bought three times as much life insurance as we did ten years ago. There has been a tremendous decrease in the mortgage indebtedness of our agricultural communities, and a relatively increased income for our primary producers. We are well abreast of the most-favoured nations of the earth in the enactment of social legislation. Our government's financial position is sound, and it has been possible to assist the various provincial governments, particularly in the less favourably placed areas. They are in a more advantageous position than ever before. While government expenditure has increased greatly as compared with the pre-war expenditure, in 1949 we were able to return to pre-war income tax exemptions.

I should like to refer now to the recent action of the government in devaluing the dollar. I noticed that one or two members of the opposition could not resist the temptation to refer to the sudden change of mind which has been attributed to Sir Stafford Cripps in regard to the devaluation of the English pound sterling. Somebody has mentioned that during the last session our Minister of Finance said in definite terms that he would never devalue the dollar, or words to that effect. Honourable senators, I have carefully read the debates of another place, and I have seen little, if anything, to support that suggestion. Throughout his speech, the Honourable Mr. Abbott was careful to insist that in the face of changing conditions he was making no predictions as to the future attitude of the government. At page 1759 of last session's House of Commons *Hansard,* he said:

> I certainly have no intention of stating what government policy might be under contingencies as yet undeveloped.

Again, at page 1568 of the same *Hansard* he said:

> The last thing the government wants to do is to take a rigid attitude to exchange rate questions.

On the assumption that the prevailing rates of foreign exchange would continue in the countries with which Canada is concerned, the Honourable Mr. Abbott confined his desire to keep the Canadian dollar at par for a further period. At page 1573 of the House of Commons *Hansard* for 1948-49, he said:

> I have tried to examine, as carefully as I could, all the grounds which I have seen put forward for dissatisfaction with the present rates, and in the present circumstances I can find no basis for believing that the present rate is unrealistic or that it should be altered.

Whether the Canadian dollar should have been devalued following the drastic devaluation of the English pound, is a matter that is open to discussion. As far as I am able to determine, there has been little commendation or criticism throughout the country. I think this is probably so because of the immense problem involved and the great uncertainty as to what the future holds. If I were a member of the opposition I think I could make a pretty fair argument that it would have been better to have stood our ground and held our dollar at par. However, in the great uncertainty that lies ahead, no one really knows. Conditions are not unlike those which faced us at the outbreak of war. We were a debtor country to the United States and a creditor country to Great Britain, and we were uncertain as to what course we should follow. At the outbreak of war we immediately took up a position half way between, and it will remain to be seen whether we have done the wise thing this time. It is an important matter, and it must be remembered that whatever "shot in the arm" devaluation gives to business now, it may prove serious later on. When devaluation was announced, there was activity in South African gold mining stocks in London; but recently I read that the labourers in the South African mines were demanding a 30 per cent increase in wages. Therefore, if mining costs become inflated, we will find that our present benefits are temporary in nature.

Honourable senators, I have no particular knowledge as to whether or not the government has done the wise thing, but I think the consensus of opinion is that it has. Those who are best informed on public financial affairs are the most hesitant about expressing an opinion as to the possible future results of this drastic change. However, I think we have got to pin our faith to this policy. Canada is a great country, with a wealth

of natural resources. Our business structure has probably never been more sound. Our agricultural situation also is sound, and the experience of the past has led our farmers to pay for their agricultural indebtedness. Canada has discovered and developed great natural resources. But there is one lesson we should learn: we must have freer world trade. Sometimes we accuse our Conservative friends of opposing it; and while we Liberals pay lip service to it, we sometimes do not practise it. We come back to it now because the tragic forces of events are bringing us to it. My honourable friend, the leader opposite, said he would like me to take time off to find out the future policy of the government. I do not think it would be difficult to lay it down in black and white. I promise him that, as far as possible, we shall give to this country the same courageous and far-sighted administration in dealing with the problems that lie ahead in the next four years as we did to the problems which faced us at the end of the war in 1945. I do not think the severest critic doubts that the government, supported by the efforts of the Canadian people, will meet whatever obstacle arises and deal with it wisely.

In closing I should like to quote a sentence uttered by President Truman in an address to the fourth annual conference of the World Bank and International Monetary Fund. In suggesting a formula for expanding world trade he said:

> We would like you to buy the things we make best, and we should buy the things you make best.

That is a very simple doctrine and we all pay lip service to it, but in actual practice we on this continent have gone a long way from it. I suspect, though, that the force of circumstances will drive us back to it for sheer self-preservation.

Hon. Mr. Roebuck: May I ask the honourable leader a question? Did he observe that on the same day on which I addressed the Senate on this subject Mr. Churchill, leader of a great party in England, advocated a return to the free market in finance?

Hon. Mr. Robertson: I heard that. I also read that he was careful not to commit his party.

Hon. Mr. Roebuck: Did the honourable gentleman read the leading editorial in the current issue of the *Saturday Evening Post,* in which it is reasoned that we should get back to free and uncontrolled finance?

Hon. Mr. Robertson: I would not argue with my honourable friend on a subject that he has so capably dealt with in this house on many occasions, and to which I have referred so falteringly this evening.

Hon. Mr. Roebuck: Oh, no, there was nothing faltering about my honourable friend's remarks. It was an excellent speech, and I listened to it with deep interest. I only wonder if I am right in the summary of it that I have in my mind: that he was expressing the reasonableness of the action taken by the government to control currency, rather than attempting to justify the general principles involved.

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

PRIVATE BILL

SECOND READING

Hon. J. G. Turgeon moved the second reading of Bill E, an Act to incorporate Alberta Natural Gas Company.

He said: Honourable senators, it is not my intention to make any extended speech on this motion. The bill is the same as one that was passed by the Senate last session, but did not become law for the simple reason that it was not passed by the House of Commons before prorogation. The bill gives to the company a charter similar in effect to a charter that a group or company might secure from the Secretary of State or from a provincial government. By that I mean that the passing of this bill would not entitle the company to carry on the works that are set out in the bill. It would simply give the company the right to make application to the Board of Transport Commissioners for authority to build a pipe line from a certain place in one province to a place or places in another province or across the international boundary into the United States.

Hon. Mr. Euler: Is this bill exactly the same as the one we passed last year?

Hon. Mr. Turgeon: Exactly the same.

Hon. Mr. Euler: No changes?

Hon. Mr. Turgeon: No changes, except in personnel.

Hon. Mr. Quinn: Was the bill given three readings in the Senate last session?

Hon. Mr. Turgeon: Yes. It was passed in the Senate unanimously, as were all the pipe line bills. When they were sent over to the other house there was such a brief time remaining before prorogation that they could get second reading and be referred to committee only by unanimous consent, which was given with respect to the others, but not to this one. That is why it is before us again, and I am once more sponsoring the bill here.

Frankly, there is opposition to the bill. I understand that the petition presented this evening by the honourable gentleman from Vancouver South (Hon. Mr. Farris) outlines some of this opposition. If the motion for second reading is passed, I shall immediately move for reference to the Committee on Transport and Communications, where I assume that all who are opposed to the bill will have ample opportunity to make themselves heard. Any questions that honourable senators may have about the bill or the general subject of the piping of gas, whether from one province to another or to the United States, may also be dealt with in committee.

Hon. Mr. Euler: Does the petition oppose the principle of the bill?

Hon. Mr. Turgeon: The petition was presented only this evening, and I have not read it.

Hon. Mr. Euler: Ordinarily when we give second reading to a bill we approve of the principle of the bill.

Hon. Mr. Turgeon: Yes, and ordinarily the bill is then sent on to committee, which I assume will be done in this case. As the mover of the motion I shall have the right to speak later, if the motion is seriously opposed, but I think it will not be necessary to go into details in the Senate this evening. I suggest that the whole matter could be considered in detail by the committee.

Hon. Mr. Crerar: This bill contemplates the exportation of gas from Canada?

Hon. Mr. Turgeon: Yes.

Hon. J. W. de B. Farris: Honourable senators, I wish to say a few words on this bill at the present time. As I am presently advised, I am opposing the bill.

I agree with my honourable friend from Cariboo (Hon. Mr. Turgeon), that the final decision of any member of the Senate should be reserved until the facts are fully disclosed in the inquiry which takes place before the Transport and Communications Committee. There are, however, one or two features which I wish to clear up. In the first place, I want to make my own position clear.

Some honourable senators may have noticed that the West Coast Transmission Company, which has filed a petition here in opposition, made an application before the Board of Transport Commissioners last week, which, after partial consideration, was adjourned until December 12. I appeared before the Board as counsel for the company, and the western papers reported that I was a director of the company and appeared in that capacity. This was not correct. I am not a director of this company; I am not even a shareholder; and I have no interest whatever, of a financial nature. That is by way of a personal explanation.

Before I proceed to discuss the conflict between the two companies concerned, and to answer the question of my honourable friend from Waterloo (Hon. Mr. Euler), may I say that I have been reading Beauchesne, and have improved my mind to some extent. I believe we senators sometimes are lax in the attention we pay to the rules. According to Beauchesne's handbook, the second reading of private bills differs from the second reading of public bills, in that the assent on second reading is only a conditional assent. I interpret that to mean that after the issue of the facts that necessarily arise out of a controversy of this kind has been threshed out before a committee, the house is at liberty to either confirm the conditional consent or to refuse it.

Hon. Mr. Euler: Of course one can always vote against a bill on third reading.

Hon. Mr. Farris: That is true. It is on that interpretation of the rules that I have refrained from asking for a vote at this time but I do feel, honourable senators, that some brief outline of the points in controversy should be brought to the attention of the members of the house.

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Farris: In that way honourable senators may get a more intelligent understanding of what is going on.

It is proposed to transport gas from Alberta to the Pacific Coast, serving the cities of Vancouver, Seattle, Tacoma and Portland. That of course means export outside of Canada. I think my honourable friend from Cariboo (Hon. Mr. Turgeon) will agree that the Canadian market on the Pacific coast is not adequate to justify the construction of a pipe line. It is a fortunate circumstance that there happen to be adjacent to Vancouver, Westminster and the other cities of the lower mainland of British Columbia, some American cities of considerable size that are not now being supplied with gas. With the added advantage of supplying gas to these cities, it is possible to support, from a financial standpoint, a pipe line from Alberta to the western coast of British Columbia.

The proposed construction is a tremendous one. I am not qualified to give an exact statement on cost, but I have seen estimates of $75,000 a mile and $100,000 a mile. I think we may assume that the cost of constructing this pipe line will be somewhere between $75 million and $100 to $125 million. Honourable senators will see that the amount involved is about one-third of the cost of

constructing the Canadian Pacific Railway. A great project of this kind is almost comparable in importance to the construction of the national railways in the earlier period of our history; it therefore throws on the Senate a great responsibility to make sure that the right action is taken.

My honourable friend said that this bill was before the house last year and was passed unanimously. The natural inference from what he said is that there is no reason why it should not go through this house the same way this session. Well, honourable senators, I do not want to present an argument on that point now, but I do wish to draw your attention that there is room for only one pipe line.

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Farris: My honourable friend from Cariboo, and all other honourable senators who have a full appreciation of the facts, know that the traffic will support only one pipe line.

Since last session, and as a result of action by parliament, one company—the West Coast Transmission Company—has gone into this field. As I am partly instructed, and as will be revealed in the committee, there has been very active enterprise carried on by that company to the end of having a pipe line constructed under its auspices.

Hon. Mr. Euler: Has the company started construction?

Hon. Mr. Farris: No. No company is in a position to start construction. I want to keep away from too much controversy on this point, but I wish to bring out some of the problems which are involved in this proposed legislation.

There is a fundamental difference between the production of oil and the production of gas. The basic distinction is that a company may go into any section of Alberta or Northern British Columbia and drill for and get oil. May I just interject that the government of British Columbia is very much interested in the activities of this company, and the attorney-general of that province, when appearing before the Transport Board recently, presented a strong statement of its views on the whole subject. As soon as oil is struck there is a ready market for it; no pipe line is necessary, because there are various ways of getting the product to the market. With gas it is a different matter; there is no market for it without a pipe line. There is, therefore, no inducement to develop gas wells, or to conserve gas, until there is definite prospect of the construction of a pipe line.

I had occasion to say before the Transport Board that there was more or less of a vicious circle. I am told, and I think my honourable friend from Cariboo will agree with me, that it is easy to finance a pipeline provided, first, you have your proved certified areas of gas; second, you have a definite market available for that gas; third, a clearance from all the government bodies that control the gas that you can use it in the way desired. This is where the vicious circle comes in. You must have each of these conditions provided for before you get any of the others. I told the board that the situation reminded me of a story I heard about a statute which was passed in one of the western states many years ago. It provided that "where two trains approach an intersection, both shall stop, and neither shall start until the other has passed". Honourable senators can figure that out!

The roundabout answer I have given my honourable friend from Waterloo amounts to this. It will be necessary to obtain several millions of dollars for the drilling of gas wells. But such money will not be invested in the development of gas as distinguished from oil —by the drilling of gas wells in a proved area until you have very definite indications that a pipeline will be put through. On the other hand, you cannot be assured of the money for a pipeline until the other complications are out of the road. So far as I know there is no company—my honourable friend's, if it is incorporated, or the one which has already been incorporated—

Hon. Mr. Euler. Which started first?

Hon. Mr. Farris: Which started first? Well, the West Coast Transmission Company has had nearly a year's start.

I think the issue I have presented will need to be considered. I am not asking honourable senators to come to any conclusions here. All I am trying to do is to put the issues before the minds of those who will have to consider them. One of those issues is that there is room for only one pipeline. Serious complications may result if you draw into the field too many competing companies: it may head off the financiers. That is one of the things the committee will have to seriously investigate. The committee will have to determine whether the company which is in the field has been going ahead with the preliminaries in a rational way, up to a certain stage, with prospects of future success. If it has, all right.

Now, regarding the company which my honourable friend is seeking to incorporate, what are its prospects? Mark you, honourable senators, besides this company there is a third company on the docket. It has not progressed as far as the others; it has not yet got quite to the crossing; but a petition has

been presented under the name, "The Prairie Pipelines." I understand that the bill will be sponsored by my honourable friend from Toronto (Hon. Mr. Campbell).

Hon. Mr. Euler: There are no prairies in British Columbia, are there?

Hon. Mr. Farris: No, but what there is on the prairies goes out to British Columbia—including sometimes its cold weather.

I understand that the route specified in the bill proposed by the honourable senator from Toronto is identical with that in the bill before us. So we have three competing interests. What is going to happen? Two of them will be unsuccessful.

Hon. Mr. Dupuis: Are they gas companies?

Hon. Mr. Farris: All gas companies, yes. Two of them cannot survive, and it is quite possible that, in the melée which will follow, none of them will survive.

Hon. Mr. Fogo: Do the bills themselves specify the route?

Hon. Mr. Farris: It is specified in the bill to be brought in by my honourable friend the senator from Toronto (Hon. Mr. Campbell).

The Alberta Natural Gas Company or group have already been before the Dinning Commission in Alberta and the Federal Power Commission in the United States. My information is that in both instances they have indicated a route almost identical with that proposed by the so-called Prairie Pipeline Company, though there are some variations. I believe indications to that effect were given last year, although I was not here when the matter came up.

These are questions which the Chairman of the Committee on Transport, who sits in front of me (Hon. Mr. Copp) and the members of his committee will have to consider. I am told that the case is no different than if one went to the Secretary of State and in routine fashion under the Companies Act obtained a charter; but from the standpoint of the men in New York from whom the money has to be obtained, the situation is very different, in face of the fact that last year one company alone was given a mandate—it is immaterial for what reasons—and the others were not. The fact that the company which was incorporated has spent its money legitimately does not necessarily vest it with any rights unless the enterprise is in the interests of the country. That is the only point that can, in the nature of things, be considered.

Hon. Mr. Turgeon: I notice that on a couple of occasions the honourable senator, unintentionally, said "last year". It was last session, not last year.

Hon. Mr. Farris: Well, last session. So much has happened since last session that one almost unconsciously refers to it as last year. But it was last session.

Hon. Mr. Hugessen: It is a year off my life, anyway!

Hon. Mr. Farris: The consideration therefore arises, what the effect may be on the financial activities of any company now in the field if parliament—not merely the Secretary of State, but parliament—says "We are going to throw two more companies in the field and let them scrap it out." It may be that that is the wise thing to do. I have no definite suggestion to make about that at this time.

Hon. Mr. Beaubien: What would happen if the Board of Transport Commissioners should refuse to grant the permit?

Hon. Mr. Farris: That is another question which comes up—the granting of permits. The Board of Transport Commissioners is meeting again on December 12. It is quite possible that it might not grant a permit to any one company to construct a pipe line. I think this may be said without any qualification, that if the company which is now applying does not get a permit, there is not a chance in the world that any other company of that kind can get it; because Mr. Maynard, Attorney General of Alberta, attended the meeting of the Board of Transport Commissioners and, as far as the southern area of Alberta was concerned—which is the area from which, I understand my honourable friend's company proposes to take its gas—he made a very definite statement as to the policy of his government. Honourable senators will recall that at a special session of the Alberta legislature held last July an Act was passed giving quite drastic powers to the government of the province and to the Petroleum and Natural Gas Conservation Board, which is more or less controlled by the government, in connection with the export from the province of gas either to another province or to the United States.

Hon. Mr. Euler: Could the honourable senator say whether any approach has been made to any one or more of the states to which this gas is supposed to be transported, or whether the company have been given a charter or some form of authorization?

Hon. Mr. Farris: I do not know that they have, but that will come in due course. I am told that the matter of obtaining a licence to take a natural commodity out of the province is largely routine, and that it is not difficult to obtain the licence.

Hon. Mr. Euler: I understand that, but does not the state itself have to give authority for the placing of the line within its boundaries?

Hon. Mr. Farris: That is so. You must get permission to build a highway or anything else; but I do not think that any serious difficulty is anticipated in that connection when it is proposed to give light, heat and power to the citizens of that state.

In answer to my honourable friend from Provencher (Hon. Mr. Beaubien), as far as any company getting a permit at this time is concerned, the declared policy of the Board of Transport Commissioners is not to give a permit to construct unless and until the province of Alberta has signified its approval and willingness to grant a permit to export gas from that province. There is no question of the jurisdiction of the province. It has the same jurisdiction that I would have as a private individual if I owned property in Alberta. For instance, I could say to anybody who intended to purchase the hay off my farm, "I shall sell hay to you if you will not take it outside the county". If I made a bargain of that kind it would, of course, be a good bargain. Alberta, either by bargaining or by legislation, has the same jurisdiction as an individual in regard to an asset. In recent years in cases of leases granted in areas where gas has been found in large amounts, provisions have been made to the effect that a lessee cannot export gas unless the province gives its sanction. If the province has alienated the gas rights, it cannot impose restrictions on the export of gas, because such restriction would not be a matter of the exercise of property rights, but restriction on the right of trade and commerce. Honourable senators who are lawyers will recall that British Columbia once tried to make such a restriction. It was in the well-known case of McDonald v. Murphy. The government of British Columbia tried to stop the export of timber which was owned by private citizens. It was found that the province did not have the jurisdiction, although the judgment of the Privy Council inferred that the province did have jurisdiction in regard to its own property.

But to return to the question asked by my honourable friend from Provencher: Mr. Maynard stated that the oil in the Turner Valley area, which is supplying Calgary, was being rapidly depleted and that inside ten years the supply would be exhausted. Therefore, he said, the primary policy of the government of Alberta was to preserve the natural gas in Southern Alberta for Calgary, Medicine Hat and the other communities in that part of the province. Secondly, he said, the policy would be to encourage and permit the export of gas to Winnipeg and other Canadian centres east of Alberta. If the honourable senators will read the transcript of what Mr. Maynard said, they will arrive at the conclusion, as I have, that it is plain that there is no chance whatever of the Alberta Natural Gas Company or any other company obtaining in the immediate future a permit to export gas from Southern Alberta.

Hon. Mr. Hugessen: May I ask a question? What the honourable senator is telling us is extremely interesting, but the difficulty I have in following him is that the bill now before us does not give any indication of where this line is to be laid. Is parliament or is our Transport Committee to deal with the matter on the theory that this line is going to be constructed to British Columbia? That is not what the bill states. I would have thought that in the case of a conflict between two or three companies wanting to build in the same area, the question would be one for the Transport Board. Parliament is not called upon to deal with it. All we are asked to do here is to sanction a bill allowing a company to build a pipe line within or without Canada.

Hon. Mr. Farris: I would point out to my honourable friend that parliament should not shut its eyes to realities, and the realities will appear before the committee. I am merely indicating from my information what I believe the facts to be. I know that the bill of the honourable senator from Toronto (Hon. Mr. Campbell) specifically describes a line in Southern Alberta from Blairmore through the Kootenays to Kingsgate, and into the United States and westward to the Pacific Coast. There is no doubt about that.

Hon. Mr. Hugessen: Yes, but I am referring to this bill.

Hon. Mr. Farris: This bill has not been that specific. I think what I have said is a reasonable prediction of what the company would say, if it becomes such, or what the promoters would say if at this stage they should be required to indicate to the Transport Committee what it is they propose to do when they get this charter. It is not just something they have no plans about. If it is, why should it be left up in the air as a menace to companies? If, on the other hand, they have some definite proposals, they should be stated. Then it would come back to the Senate and honourable senators would know exactly what is going on.

Hon. Mr. Hugessen: I think my honourable friend is quite right there. I was just wondering whether the bills we passed last year specifically stated the particular area in which the companies intended to build.

Hon. Mr. Farris: I do not think so.

Hon. Mr. Hugessen: I think in the future that parliament should take care to see that this is done.

Hon. Mr. Hayden: Correct me if I am wrong. I think the general Act requires that plans for the particular course of the pipe line must be approved by the Board of Transport Commissioners.

Hon. Mr. Farris: That is true, but that does not come in until after the permit to construct has been granted. The train has got to be allowed to start before it can reach the intersection. One of the facts to be kept in mind by honourable senators is that the development of gas is the basis for the construction of a gas pipe line, and is quite a different problem from that of the development of oil. You can get untold hundreds of millions of dollars invested in drilling for oil, regardless of whether you have a pipe line or not. But you cannot get companies to drill for gas unless there is some assurance of a market, and you cannot develop any market until you know you are going to be able to obtain a pipe line.

Hon. Mr. Euler: What is the use of issuing charters to any of these three companies if it is the policy of the government of Alberta not to permit the exportation of gas?

Hon. Mr. Farris: I am glad that my honourable friend has asked that question, because it shows that I have not been lucid in my statement. The government of Alberta may change its mind at a later date with regard to the exportation of gas from the southern area. But as to the area north of Edmonton, Mr. Maynard said that there are no cities or large centers there, and the government would only expect a company to supply domestic needs along the route of its pipe line. He also said that the engineers who had interviewed the government, including the engineers for the line that was incorporated last year to run from the vicinity of Calgary to Winnipeg, did not think it was feasible to take gas from north of Edmonton into the Winnipeg area. Mr. Maynard also said, in effect, that while his government was not prepared at this time to commit itself to anything definite, it was not opposing the application of the Westcoast Transmission Company to the Board of Transport Commissioners for a permit to construct a line from the northern area of Alberta. It is the opinion of the government of Alberta and of the government of British Columbia that the logical outlet for gas from northern Alberta and northern British Columbia is the west coast of British Columbia and the adjacent American cities. The object of the Westcoast Transmission Company is to fulfil this purpose.

My honourable friend from Cariboo has read the statement made by Mr. Wismer, Attorney General of British Columbia, who stated, without any qualification, that his government stood strongly in favour of a line from the northern parts of Alberta and British Columbia. He gave this reason. He said you cannot get the northern country developed unless you have a pipe line, and if you ever have a pipe line running from southern Alberta into the coastal cities there will not be a chance of obtaining a second pipe line from the north, with the result that that north country will never be developed. Mr. Wismer, Mr. Maynard and others should be asked to appear before our committee, unless the committee would be satisfied with a transcript of what they said before the Board of Transport Commissioners.

So far as the northern area is concerned, I am told—and again I am speaking only from information—that Dr. Hume the Dominion Geologist, and other geologists will, if called before the committee, state their unqualified opinion that in that north country there are unlimited known areas—I mean known in the geological sense, not in the financial sense that would enable anyone to get money on the barrel-head—containing trillions of cubic feet of gas. If that opinion is expressed before the committee the suggestion will be made, as it was made before the Transport Board, that men who are interested in the development of gas in the northern areas of Alberta and British Columbia are prepared to put up some millions of dollars in proving up the northern areas, provided they have an assurance of a pipe line. But the situation would be quite different if parliament were to permit the incorporation of other companies which may or may not be able to get pipe lines from the south—and whether they will be able to get them is one of the things that the committee will have to investigate.

In the light of all the information obtainable it will be for honourable senators to decide whether it is in the public interest to give some protection to the one company which is interested in that northern section and which, if given some protection, is prepared to spend large sums of money in proving the area.

My honourable friend from Cariboo (Hon. Mr. Turgeon), and I had a discussion about this matter and I told him I expected to speak on his motion for about five minutes. However, one can become long-winded in the Senate as well as in the courts, and I am afraid that those honourable members who have asked questions will have to share part of the blame for the lengthy statement I have

made. I am glad to have had the opportunity to state my views, but I did not intend to say so much, for I do not wish to appear in the role of an advocate or as urging that any particular action be taken. I understand the general desire is to have the bill sent to our committee on Transportation and Communications as soon as possible, in order that we may all have a full opportunity to get to the bottom of this question. That is certainly my desire, for I believe every senator will agree with me that this is one of the most important measures that will come before us this session.

Hon. John T. Haig: Honourable senators, I agree with the suggestion that the bill should be referred to committee, but I am not sure that I agree with my honourable friend's arguments on *Beauchesne's Parliamentary Rules*. I think that when we give a bill second reading—

Hon. Mr. Euler: That signifies approval of the principle.

Hon. Mr. Haig: Yes. We can protect ourselves by saying that we are not approving the principle at all but are giving second reading only in order to have the bill considered in committee, and reserve the right to vote against the bill on the motion to adopt the report of the committee or on the motion for third reading.

Hon. Mr. Farris: It comes to practically the same thing.

Hon. Mr. Haig: Yes, but I have expressed my understanding of the rule as we have followed it during the time that I have been a member of the Senate.

My province is interested in this bill, and especially my city of Winnipeg. The senator from Churchill (Hon. Mr. Crerar) was sponsor of a bill that was passed last session, and I am as interested as is the senator from Vancouver South (Hon. Mr. Farris) in getting the facts.

I want to point out one thing that has not been mentioned so far. Alberta has very great natural resources in oil and gas, and we should be very careful in dealing with these, because a large part of the money for the major developments must come from the United States. This business is one in which there will be invested, not merely a few thousand or million dollars, but hundreds of millions. An oil pipe line is now being built from Alberta through Saskatchewan, through Manitoba, down through Gretna, on to Lake Superior, and then by barges over to Sault Ste. Marie.

Hon. Mr. Farris: That is for oil.

Hon. Mr. Haig: Yes, as I said. My point is that we must be careful in dealing with these matters, so as not to have too many wild-cat companies. I use that expression without any offence to my honourable friend from Cariboo (Hon. Mr. Turgeon). Such companies would seriously damage the reputation of our western oil fields as good risks for investment. Some honourable members within my hearing have suggested that the Board of Transport Commissioners will be able to exercise sufficient control over the companies, but in my opinion that we, as members of parliament, have a responsibility not to incorporate companies for dealing with these tremendous resources unless we provide every reasonable safeguard for the investor, so that if he does not become rich through the purchase of shares in the companies, he will at least get a run for his money. As the honourable leader of the government (Hon. Mr. Robertson) said a few days ago—whether in private conversation or on the floor of the house, I do not remember—our immense resources of oil and gas in that country could attract millions of American dollars, which we so sorely need. When the bill is in committee I am going to stress the point that we must be careful not to incorporate too many companies.

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

REFERRED TO COMMITTEE

Hon. Mr. Turgeon: Honourable senators, I move that this bill be referred to the Standing Committee on Transport and Communications.

The motion was agreed to.

PARLIAMENTARY FEES

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

That the Parliamentary fees, less printing and translation costs, paid during the last session upon Bill C-8, an Act to incorporate Alberta Natural Gas Company, apply to Bill E, of the present session. an act to incorporate Alberta Natural Gas Company.

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, October 5, 1949

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

Prayers and routine proceedings.

DIVORCE BILLS

FIRST READINGS

Hon. W. M. Aseltine, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill G, an Act for the relief of John Henniker Torrance.

Bill H, an Act for the relief of Edith Harriet Black Hambly.

Bill I, an Act for the relief of Margaret Reid O'Connell.

Bill J, an Act for the relief of Alton Charles Bray.

Bill K, an Act for the relief of Kathleen Gertrude Macartney Dorken.

Bill L, an Act for the relief of Louis de Forest MacAlpine.

Bill M, an Act for the relief of Jessie Fraser Blaiklock Stewart.

Bill N, an Act for the relief of Alice Lafond Burnham.

Bill O, an Act for the relief of Muriel Annie Elizabeth Hicks Kurtzman.

Bill P, an Act for the relief of Robert Walsham Herring.

Bill Q, an Act for the relief of Leta Helen Butler Waller.

Bill R, an Act for the relief of Violet Blodwyn Young Murdoch.

Bill S, an Act for the relief of Joseph Tannenbaum.

Bill T, an Act for the relief of Isabel Christine MacLean Robinson.

Bill U, an Act for the relief of Marie Annette Vallieres Handfield.

Bill V, an Act for the relief of Nicholas Kouri.

Bill W, an Act for the relief of Viateur Fortier.

Bill X, an Act for the relief of Lois Elizabeth Rolph.

Bill Y, an Act for the relief of Madeleine Dunn Landry.

Bill Z, an Act for the relief of Arthur Joseph D'Avignon.

Bill A-1, an Act for the relief of Jessie Gwendolyn Paul Giroux.

Bill B-1, an Act for the relief of Celia Maria Gabrielle de Costa Baxter.

Bill C-1, an Act for the relief of Dorothy Amelia Beattie Harrison.

Bill D-1, an Act for the relief of Rosaline Laham Anber.

Bill E-1, an Act for the relief of Anna Starzynski Sztafirny.

Bill F-1, an Act for the relief of Marjorie Claire Dickison LeMieux.

Bill G-1, an Act for the relief of Dorothy Ruth Brown Bailey.

Bill H-1, an Act for the relief of Lorne Bradbury Ashton.

Bill I-1, an Act for the relief of Harry James Seaban.

Bill J-1, an Act for the relief of Julia Seram Odenick.

Bill K-1, an Act for the relief of Myrtle Elizabeth Howat Brammall.

Bill L-1, an Act for the relief of Francis Gilmer Tempest Dawson.

Bill M-1, an Act for the relief of Imelda Poirier Tremblay.

The bills were read the first time.

SECOND READINGS

With leave of the Senate, the bills were read the second time.

WORLD SERIES

RADIO BROADCASTS

On the Orders of the Day:

Hon. W. M. Aseltine: Honourable senators, before the Orders of the Day are called, I should like to draw the attention of the honourable leader of the government to the fact that the World Series baseball games are now in progress, and that they are being broadcast over the air each afternoon. Many of us who follow these games throughout the season would like to hear these broadcasts, and I would therefore suggest that future sittings of the Senate be called for 4 o'clock in the afternoon instead of 3 o'clock. We would be glad to sit an hour later, in order to make that arrangement possible.

Some Hon. Senators: Oh, oh.

Hon. Mr. Euler: Are the games over by 4 o'clock?

Hon. Mr. Leger: Let us amend the rules.

Hon. Mr. Robertson: The best I can say in answer to my friend is that I will take the matter under consideration.

Some Hon. Senators: Oh, oh.

Hon. Mr. Haig: That means it is a dead issue.

SPEECH FROM THE THRONE

ADDRESS IN REPLY

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

Hon. R. B. Horner: Honourable senators, the older members of this chamber will not be surprised to see me rise to take part in this debate, but I am sure the newer members will wonder why I do not leave the speech-making to those who are better able to do it than I am.

Hon. Mr. Roebuck: There are none.

Hon. Mr. Horner: I wish, first, to congratulate you, Mr. Speaker, on your appointment as presiding officer in this chamber. I regret that the mover of the Address (Hon. Mr. Godbout) is not present, for I wish to compliment him on his remarks. I may say that I have known his brother in western Canada for some thirty years. To the seconder (Hon. Mr. Petten), who comes from Newfoundland, and to the other senators from that province, I may say that in my humble way I am pleased to extend to you a welcome to the Senate of Canada.

Some Hon. Senators: Hear, hear.

Hon. Mr. Horner: May I add that our little group on this side of the house is looking forward to an addition of three members from your fine province? I hope justice will be meted out to us in this way. It was intended by the founders of our confederation that each party should have proper representation in this house; therefore I look forward to the appointment of three members from your province to this side of the chamber.

Hon. Mr. Nicol: I hope you will not be disappointed.

Hon. Mr. Horner: I might well have foregone the opportunity of speaking in this debate but for the fact that our honourable leader never holds a caucus. When he expressed himself as being in favour of abolishing appeals to the Privy Council, he said he spoke for his party in this house. Had he held a caucus, he would have known that I for one do not share all of his views. The point has been quite well covered by the honourable lady senator from Peterborough (Hon. Mrs. Fallis) with, as the legal men say, "a proper clincher."

Perhaps I am different from some honourable senators, but I think I represent a cross-section of the people of Western Canada. When the government says that the time has come to abolish the right of appeal to the Privy Council, I disagree. In all my lifetime it never occurred to me that my right to appeal to a tribunal outside Canada in any way interfered with our position as a nation, or that it made us more colonial. The honourable senator from Peterborough pointed, as an example, to the ridiculous decision of the Supreme Court of Canada on the question of whether or not a woman is "a person".

I should like at this time to refer to the late Nellie McClung, and to mention the privilege I had of hearing her speak. It was many years ago, when I was in my teens and used to ship horses west. It took some fourteen to sixteen days to make the trip, and as horses were very valuable I used to watch them fairly closely. At Winnipeg I decided to go on to Dauphin and spend the night. When I arrived there someone said "You had better go and hear Nellie McClung: she is giving a reading." So I went, and never in all my life have I enjoyed an evening more. I thought then, and I think now, what a pity that a woman of her calibre had not the opportunity of becoming a member of either house of this parliament. The story she told, the reading she gave remains imprinted on my mind to this day. I thought it was a grand story. I may add that at the time I was a bachelor. The tale was about some folks who moved to Calgary and became wealthy. Later the grandmother joined them. She wanted to do a certain amount of work around the house, but that could not be allowed, for they were rich and they had to have a maid. So the grandmother, being unable to content herself in idleness, answered an advertisement for a housekeeper for a homesteader. Mrs. McClung depicted the incident so vividly that I could almost see the station, the road, and the shack of the bachelor, with his trunkful of dirty shirts and collars, and how the old lady went to the bottom of everything and straightened up the place. The happy ending was that a granddaughter came along eventually and married the bachelor farmer. Such was the ability of that great woman Nellie McClung, that I still remember practically the entire story.

But there are other reasons why I am concerned about this legislation. One is expressed in the following extract from the *Telegraph-Journal* of Saint John, New Brunswick:

> Citizens of New Brunswick and other Maritime Provinces have long cherished the opportunity to appeal to Britain's Privy Council. They have felt it was one of their surest constitutional safeguards against the possibility that the larger and wealthier provinces, or the nation as a whole, might ride roughshod over the rights they enjoy as equal partners in the Confederation agreement.
>
> Thinking people in these seaside provinces have been a little uneasy over the new moves to eliminate the "badge of colonialism" from Canada. The way they look at it is that they have very little if anything to gain, and possibly much to lose.

Though I come from Western Canada, honourable senators, that is my view. I cannot see that we have anything to gain, and possibly we have very much to lose.

Let us imagine one or two possibilities. I am sure all honourable senators remember that the leader of this side was brought to

task for expressing any doubt that the British Government would fully live up to their agreement with us; it was declared that although they were getting our wheat for as much as 70 or 80 cents less than the world price, they would make a cash adjustment; and doubters on this side were told that they were doubting the word of England. Now, because of price limitations and other reasons we have lost nearly a billion dollars. Suppose the wheat growers decided to go to court for a settlement. I am not to be understood as criticizing the decision to help England; what I am objecting to is that Western Canada has had to carry the whole burden. But suppose we were to take the matter to court with a view of securing some adjustment to be borne by Canada as a whole, what might we expect from a Supreme Court consisting for the most part of judges from the provinces which have received particular benefits from the cheap wheat and flour supplied by Western Canada, the provinces where large population centres have benefited from the low prices established for Western Canada's one vital commodity? Further, I would draw attention to the increased freight rates in Western Canada. Not having the competitive water rates to be found in Eastern Canada, what will be left for the western provinces if the price of grain is lowered? The minister in another place said recently that he did not think the government could interfere with the Board of Transport Commissioners. I have had some experience in these matters and I do not agree with that statement. The Board of Transport Commissioners is merely something to which the government can "pass the buck"; and it is my firm belief that it did exactly as the government wanted it to do in this case, and the result has fallen most heavily on Western Canada.

Hon. Mr. Vien: Mr. Speaker, I must rise to a point of order. The Board of Transport Commissioners is one of our high courts of justice in Canada, as well as an administrative board, and it is not permissible under our rules to say that it is just something which the government or the railway companies can pass things to.

Hon. Mr. Aseltine: The honourable senator from De Lorimier (Hon. Mr. Vien) is out of order. He is making a speech.

Hon. Mr. Vien: I am not making a speech. I am stating my point of order. I am saying that under the rules of this house it is not permissible to use disparaging language in reference to a high tribunal of this country, and the Board of Transport Commissioners is such a body.

The Hon. the Speaker: Honourable senators, I would suggest that the honourable member from Blaine Lake (Hon. Mr. Horner) had no intention of making offensive remarks with respect to the board of which he was speaking at the time.

Hon. Mr. Haig: That is right.

Hon. Mr. Horner: Well, at any rate that is my opinion from my experience with that board.

Some Hon. Senators: Oh, oh.

Hon. Mr. Vien: I must again rise to a point of order. I believe that the last words of the honourable senator from Blaine Lake would tend to refute the assumption of His Honour the Speaker that the member did not intend to make disparaging remarks about the Board.

Hon. Mr. Haig: I, too, rise to a point of order. I do not intend to allow the remarks of my honourable friend from De Lorimier (Hon. Mr. Vien) to get by. Anyone can speak in this house on a judgment already given by the board. If that cannot be done, when will we ever get anywhere in this house? My honourable friend from Blaine Lake was not speaking disparagingly of the Board. He was speaking of the judgment that was delivered by it.

Hon. Mr. Vien: I again rise to a point of order. The honourable senator from Blaine Lake did not discuss the judgment at all; he referred to the Board of Transport Commissioners as something to which the government and railways were "passing the buck".

The Hon. the Speaker: The points of order raised on both sides have not tended to settle anything, and I would ask the honourable member to continue his speech with due regard to the respect to which the Board is entitled.

Hon. Mr. Horner: We in Western Canada claim, and I think justly so, that we have never received fair play on another matter, and that is the Hudson Bay Railway. I understand that this year even the *Star-Phoenix*, a newspaper that so far as I know has never favoured the party to which I belong, commented on the ridiculous fact that wheat going to Hudson Bay was charged an extra 3 cents for storage at Fort William and Port Arthur. It reminds me of the early days in the lumber camps, when a van and stores were taken a long piece in the woods to serve the men. One spring a certain poor chap found that he was charged about $40 for tobacco. He said "There must be some mistake, because I do not smoke or use tobacco at all." The reply was: "That does not matter. The tobacco was there and you

could have had it if you wanted it." Similarly, I suppose it can be said that the facilities were at Port Arthur and we could have had them if we wanted them.

I candidly think that ships equipped with radar and other modern devices could use the Hudson Bay route for not merely two months every year, but ten months. The straits are possibly freer of ice in winter than in the summer, and if some of the money spent on dredging the St. Lawrence were used to improve the Hudson Bay route, the insurance rate would possibly be as low on shipments from Hudson Bay as via the St. Lawrence. This matter is of tremendous importance, especially now that the railways have increased their freight rates. The Hudson Bay route is, I claim, another case in which a province small in population and weak in political influence has not received justice at the hands of the country generally.

I would also like to remind the government that a number of people in our province wish to import some livestock from the Old Country. As the stockyards that were at Churchill have been demolished, we think that the Pas, where there are yards available for testing imported cattle, should be made a quarantine base. There is plenty of feed available for this purpose at the Pas.

Now I wish to refer to one or two matters dealt with by the senator from Inkerman (Hon. Mr. Hugessen) and the senator from Toronto-Trinity (Hon. Mr. Roebuck). I love to listen to both of them, and only wish I could express myself in as able a manner. But the honourable gentleman from Inkerman is much tainted with socialism, and the honourable gentleman from Toronto-Trinity —well, much as I enjoy his speeches, I can hardly place him. He is sometimes a Conservative, tainted with communism and socialism. A year ago, when speaking of all the regulations that we still have in force, he said that Canada cannot exist half bound and half free. That is exactly my view.

I remember that some years ago the honourable gentleman from Inkerman was in close touch with and a great admirer of Dr. Marsh, who I believe used to be Professor of Economics at McGill University. Dr. Marsh was once present for two hours at a Senate committee, and I thought he was the very man who could answer a question that I put to him. He did give me an answer, but I could not understand it, and in fact I doubt whether he was capable of answering the question. When the honourable gentleman from Inkerman was such a strong admirer of Professor Marsh I do not think he knew that the professor was the author of the C.C.F. handbook. The fact is, though, that the professor drew up a socialist plan for Canada, and part of it was adopted by the Liberal government. The honourable senator quoted some lines from Oliver Goldsmith. I wish to add to the quotation:

> Princes and lords may flourish or may fade;
> A breath can make them, as a breath has made;
> But a bold peasantry, their country's pride,
> When once destroyed, can never be supplied.

I hold in my hand a pamphlet sent to me, as no doubt to all other senators, from the Dairy Council of Canada. If the senator from Waterloo (Hon. Mr. Euler) has not already read it, I would suggest that he read it over twice.

Hon. Mr. Euler: I saw it.

Hon. Mr. Horner: I will quote a short part of it:

> There are nearly four hundred thousand farms in Canada where milk is produced, in large and small quantities. Remember each farmer has a family, often one or more hired hands who also have families. There are more than four thousand plants across Canada where milk is handled or processed, ranging all the way from the cross-roads cheese factory, employing one or two men, to great city plants where hundreds work. Then there are the many industrial plants where supplies, boxes, bottles, and cartons, intricate machinery and equipment for the whole industry, and hundreds of other required products are made. There are the thousands of men who distribute dairy products at the wholesale and retail level, those who work in almost every store selling these products, those who make trucks and work on the railroads and ships.
>
> Add it all up, and you have a large segment of our population engaged directly or indirectly in the dairy industry.

These are the four hundred thousand people —the "bold peasantry," if you like—who are going to be destroyed if we continue to allow the manufacture and importation of margarine.

Hon. Mr. Euler: You do not believe that?

Hon. Mr. Horner: I do believe it. And may I tell the senator from Waterloo that the sale of margarine has resulted already in the disposal of perhaps one hundred dairy herds in this country. Faced with competition from margarine, many dairy farmers have lost hope for the future.

Hon. Mr. Euler: You said that the manufacture and importation of margarine would destroy four hundred thousand farmers. That is nonsense.

Hon. Mr. Horner: It will certainly lower their standard of living. And those people, as I have pointed out before, never received wages. They operated what might be called family factories, and often the children worked in bare feet. I can remember going for the cows when white frost was on the field, and to warm my toes I was glad to stand on the places where cows had lain in the night.

The way in which the margarine question was dealt with is one of the reasons why I am as strongly opposed as I can be to abolition of appeals to the privy council. As I have previously said, I never felt that Canadians were in any inferior position because they could appeal to the privy council from decisions of the Supreme Court of Canada. I realize that I am only a layman, but I make bold to express my views on this question.

I am greatly amused when my honourable friend from Toronto-Trinity and other senators talk about their Liberal free trade. After all, you cannot make water run up hill, and no political party would dare continue for any length of time a policy that would ruin this country. The honourable leader on this side (Hon. Mr. Haig) said we have to be careful in dealing with some industries. I will tell you what happens. When the tariff is lowered the price of the imported article is raised, so that the cost to the consumer is the same as before. As a Conservative, I am in favour of free trade and quite prepared to have it put into effect as widely as possible. But let me read something that the Calgary *Herald* said:

Under the title "The Basic Fallacy of Liberalism":

Rt. Hon. C. D. Howe remarked in Ottawa last week that the Canadian government had pegged the Canadian dollar at a 10-cent discount, rather than allowing it to move freely and find its own value, because "no country dares to have a free currency—free for every speculator to shoot at."

Our correspondent, John Bird, comments that Mr. Howe made this remark "sadly." He should have made it shamefacedly, for it is frankly untrue. The United States dollar is not pegged or controlled; neither is the Swiss franc; neither, since last Tuesday, is the French franc.

Now Mr. Howe and his colleagues in the Cabinet may argue that the U.S. can afford to allow the American dollar to be bought and sold freely, without restriction of any kind, because the U.S. is in such a commanding economic position. But we do not see how he can argue that the Swiss economy, much less the French economy, is so much stronger than the Canadian economy that Switzerland or France can afford to have a free currency while Canada cannot.

The government evidently fears that if the Canadian dollar were set free, all of the $1,000,000,000 which the Bank of Canada now holds in its reserves of gold and American dollars would promptly flee from Ottawa, to take refuge either in Washington or at Fort Knox, Ky. We believe this to be arrant nonsense; next to the United States itself, Canada is in a stronger economic position than any other nation in the world, and if the federal government has so little faith in this country's future that it is afraid to let the Canadian dollar stand on its own feet, then it is scarcely worth the name of government at all.

It has set a new arbitrary value on the Canadian dollar, declaring it to be worth exactly 90 cents instead of 100. All the controls and irritating regulations governing the spending of Canadian dollars outside Canada remain; the only effect of devaluation has been to make American imports 10 per cent dearer and to allow American tourists to get $1.10 for every American dollar they bring here.

We hoped that Mr. Abbott would promise that devaluation would permit a gradual relaxation of controls, but he has made no such promise. Indeed, to judge from the remarks of Mr. Howe, the government isn't sure that devaluation will have any real effect at all.

The truth of the matter is that the Liberal party, belying the great name and the great tradition to which it is heir, is afraid of a free market. Its long years of power have made it so arrogant that it believes that the predictions and estimates, the graphs and charts and tables of a few experts on Parliament Hill, can produce more wisdom than the composite actions of free men going about their business and making millions of separate calculations every day. This is the basic fallacy of Socialism, and in Canada it is the basic fallacy of Liberalism as well.

That article expresses my views very well. This idea of regulating and planning is simply copying the policies of the C.C.F., and of the Communists. I may say to my honourable friends, if it is any comfort to them, that during the recent election many candidates were elected by the Communist vote. So the Liberals must be satisfying that group. A recent article in the Ottawa *Journal* attempts to show how the C.C.F. party would plan the whole world. I say the policy of the present government is the way to accomplish the same result.

The honourable member from Toronto-Trinity (Hon. Mr. Roebuck) complained in his speech that the taxation on land in the Old Country was not sufficiently high. I see by the press that some of the landowners of that country have had to set up little stalls by the roadside and sell vegetables in order to gain a livelihood. That situation reminds me of the story of the man who believed in socialism, and asked an Irish hog producer to give him one of his pigs because he had none. There are certain classes of people who choose to make their money without owning land, and they always want the landowner to pay more taxes. For my part, I believe the best citizen is the fellow who owns a little piece of the earth. We in the province of Saskatchewan are having a taste of this taxation problem. In England they adopt harsher methods. Beverley Baxter said, in an article recently published in *Maclean's* magazine, that when the landowners refuse to co-operate with the socialists' request to give up their properties they will be regarded as beasts, and anyone who shoots one of them is not liable to be punished. That is the ultimate in socialism.

The honourable member from Northumberland (Hon. Mr. Burchill) twitted me rather good naturedly concerning the prospects of gain in Western Canada by the party to which I belong. I am sorry my friend is not in the chamber at the moment, because I

intend to answer him in my own way. Evidently the *Toronto Star* had somewhat the same fears as my friend had concerning the western vote. As almost everyone knows, the *Toronto Star* is the most rabid Liberal paper in Canada. Apparently it suffered some fears because of my remarks in this house last session. Someone sent me a clipping of an article from that paper which undertook to deal with me and to offset any influence I might have. The *Star* pointed out that I had been defeated twice in my attempt to gain a seat in the Saskatchewan legislature. May I tell that paper of the propaganda used by the Liberal party at that time—I hope it is proud of it. The slogan was: "A vote for Horner is a vote for conscription and a vote for war". This slogan served to upset badly the minds of the people in that area. For instance, a big man weighing about 260 pounds, but unable to read English, went into the polling booth, and by mistake he voted for me. When he came out of the booth he asked where the names were on the ballot, and when he learned that he had voted for me he stood up against the schoolhouse wall and the tears flowed down his face; he broke down completely and prayed to his Saviour to forgive him for voting for a man who would make war. In its article the *Star* chose not to mention the fact that I was for four years reeve of the municipality in which I lived, consisting of nine townships. I was a young man in those days, and I was faced with a propaganda campaign of the kind I have mentioned. Evidently the forces opposed to me feared that I might get into public life. Those elections in Saskatchewan remind me of the recent article appearing in the *Saturday Evening Post* on a play of the late W. C. Fields, the rowdy king of comedy. His slogan was "Never give a sucker an even break." That is the way the people were treated in Western Canada.

I had an amusing experience many years ago, and as it reflects on myself, I will take the liberty of telling it here. In the 1914 election for reeve of our municipality, which was very keenly contested, the candidates were Anton Krisnoyski, Alex. Vernhagin and myself. There was one far-away poll which I had not visited, where the poll box, when opened, showed 35 votes for Krisnoyski, 35 votes for Vernhagin and one for Horner. After the election was over, I met Peter Dobellgraff, who had been the local returning officer. I said, "Well, Pete do I have to blame you for voting for me?" He said, "No, Mr. Horner, I no vote for you." I said, "Then I guess it was Pete Podoski." "No," he said, "Pete no come to vote at all." "Then who in the world was it?" I asked. "Oh," he said, "it was Metro Hunchuck." "Well," I said, "what's the matter with him?" "Oh," says Pete, "he a little bit crazy."

Some Hon. Senators: Oh, oh.

Hon. Mr. Horner: However, at the next election for reeve that poll gave me 90 votes.

I notice in the Speech from the Throne that housing is to be the subject of another legislative drive. My personal belief is that we would have been better off today if governments had left housing and rent control and everything pertaining thereto strictly alone. Some of these housing enterprises will result in huge losses to the taxpayers of this country. Houses constructed with government guarantees and financial assistance are even now falling apart: many of them were built with green lumber and, I think, will be a dead loss.

While upon the subject of housing, I feel that as a duty and, indeed, as a kindness to the government, I should make some allusion to the proposal to spend a quarter of a million dollars upon a home for the Prime Minister. I am very much opposed to it. As to the argument that the people favour the idea, I might point out that you can get people to sign petitions for anything. I may be regarded in Ottawa as a "bad boy", but my motive is a kindly one. I invite those of you who have raised families to reflect on the position in which you are asked to place the Prime Minister and his good lady. Since when has a Prime Minister of Canada been expected to do entertaining, and what time will he have for it? Suppose you hire twenty servants to staff this house, who will have to supervise them but the lady who, having raised her family, is entitled to enjoy a quiet time in her home. To me the project is simply ridiculous. The parallel which has been suggested in another place between our Prime Minister and the occupant of the White House is not parallel at all. The two cases are entirely different. We have a Government House. As all honourable senators know who have been here any length of time, Government House is a pleasant and lively place where we can meet and get acquainted, and where the Prime Minister himself can be entertained and meet ambassadors and other important officials. I say that the Prime Minister of this great country has not the time to undertake large-scale entertaining. On this point although the present Prime Minister's predecessor held office longer than any other Prime Minister in the British Empire, I never heard of him entertaining anybody—and he is living in a house which the people of Canada had understood was to be the home of Liberal Prime Ministers. However, that is by the way. I would warn the Liberal party in a friendly spirit that if they persist

in this proposal it will arouse a great commotion among people who need houses, and who will point out that, for the amount of money proposed to be spent on this project, a hundred ordinary houses could be built. I advise the government to go very slowly.

I always enjoy the speeches of the honourable senator from Medicine Hat. (Hon. Mr. Gershaw), who spoke of irrigation. I know something about his province.

Irrigation, of course, plays an important part in the production of food. The honourable senator from Medicine Hat did not mention the Red River scheme, one of the biggest irrigation projects in western Canada. A large dam was built there a year ago, but since the winter snowfall there has been no moisture, so there is not a drop of water in the dam.

How many senators, I wonder, have been in the great Pace River country, north of Edmonton? Perhaps some of you have heard or read in the papers about the huge breaking scheme, involving 100,000 acres of virgin soil means. I went all through that country this summer. For miles and miles on either side of the track, as far as one can see, that beautiful land is empty. It could maintain, I believe, a good part of the whole population of Canada. It contains coal and oil and gas. I never before realized that so large an area of British Columbia is comprised in that agricultural belt. At Dawson Creek there are eight elevators, all but one having huge annexes, each capable of holding 30,000 bushels. Grain is drawn there from distances up to 75 miles. An outlet to the Pacific coast for that great country is absolutely necessary.

In planning for food production and regulating supplies, let us not overlook our obligation to allow larger numbers of people to enter this country. I believe that such a course will be to our great advantage. Honourable senators know of the difficulty in which Allied-controlled Germany is placed through the arrival of innumerable refugees from the Russian zone. There is no room for them in their own country, and many of these people would make the finest possible settlers. But no! Supposedly there is some obstacle. Either we are told that peace has not been concluded, or some other objection is made.

Well, there are no objections on my part. I know of no surer way to avoid the inroads of that great world calamity, communism, than to admit to this country a million or so of healthy displaced persons, including Germans. It makes me ashamed to be a Canadian when I read of our attitude towards those four hundred brave people who, evading gunboats by leaving at night because Sweden had been ordered by Russia to return them to that country crossed the Atlantic in a ship which would properly accommodate no more than fifty in the hope of finding a place in a free world. The press says the government may not admit them and they may be disappointed when they arrive in Halifax. As a Canadian citizen I am ashamed that we do not say, "You are welcome to this country".

Because of the present tangled currency situation, I have little hope that we are going to be able to do much exporting, and so we shall need these people to increase our home consumption. The United States became a great country by allowing such people to come within their boundaries. That nation now has an immense consumption, and that is the very thing which eventually will be Canada's salvation. We need more people to consume, and more farms to produce. At the present time the number of our farms is dwindling instead of increasing, and this state of affairs is calamitous.

Again as last year, the main boast of the leader of the government (Hon. Mr. Robertson) is the prosperity of our country, and the millions of dollars in our banks. He does not tell us, though, that our debt has increased to about $14 billion, and that whereas each person's share of the national debt was $200 ten years ago, it is now $1400. It is a straight case of each family now having a large mortgage on its future and on its property. I repeat that we should start to pay off this debt and not increase it. The men who can best afford to pay it off are those who are drawing the interest, while the men who can least afford it are those who are going to have to pay it.

When the Liberals boast about the present prosperity of the country, but the truth of the matter is that it is a war prosperity. As a result of the war we have manufactured great quantities of merchandise and machinery; there has been a market for all of our food commodities; there has been no labour problem. This is the prosperity we have been enjoying. I am sure, however, that the government does not claim to have instigated the war; and if they did not do so how can they take credit for the billions of dollars that now lie in our banks?

Honourable senators, we have to face the facts in order to save our country. In raising my objections today I have not intended that honourable senators should think that I wish to be unkind. I have simply done what I feel to be my duty as a member of the Senate, and I thank honourable senators for their kind attention.

Some Hon. Senators: Hear, hear.

Hon. Mr. Roebuck: Honourable senators, may I rise to a point of personal privilege.

I have listened with much interest and amusement to the remarks of the honourable senator from Blaine Lake (Hon. Mr. Horner). However, he made one reference in the early stages of his speech that I think I should ask him to withdraw. They say sticks and stones will break your bones, but names will never hurt you. That, of course, is the axiom we follow. Nevertheless, even though we in this chamber often disagree we should be careful about the names we use in referring to one another. My honourable friend from Blaine Lake, in referring to me personally, associated me with the terms Conservative, socialist and communist. I have no objection to the term Conservative—because I am conservative in some respects—so long as I am not called a Tory.

Some Hon. Senators: Oh, oh.

Hon. Mr. Roebuck: The word "socialism" means so much in so many ways that no one should object too much to it. However, there are connotations of the word communist which I feel should not be allowed to pass without comment. Therefore, I would ask my honourable friend from Blaine Lake (Hon. Mr. Horner) to kindly withdraw that portion of his remark.

Hon. Mr. Horner: All right, I shall withdraw that reference. The word socialist will do for the time being.

Hon. W. D. Euler: Honourable senators, like those who have preceded me, I should like to compliment His Honour the Speaker upon his selection as the presiding officer of the Senate. I am sure all of us feel that he will perform his duties with dignity, impartiality and efficiency. I should also like to congratulate the mover (Hon. Mr. Godbout) and the seconder (Hon. Mr. Petten) of the Address. I regret exceedingly that I could not follow the speech of the mover because, unfortunately, I do not understand the French language. If there is one thing I regret keenly it is that in my parliamentary experience of thirty-two years I did not make some attempt to acquire at least a working knowledge of the French language. I will make the promise that if I am here for another thirty-two years, as I feel I may be, I shall do my best to correct that fault.

Some Hon. Senators: Hear, hear.

Hon. Mr. Euler: I should like personally to congratulate the seconder of the Address (Hon. Mr. Petten) on his interesting and informative speech. He said that if a referendum on the question of confederation were taken in Newfoundland today, the vote would show 80 per cent of the electorate was for union. I would like to say to him and to the people of Newfoundland that practically 100 per cent of the Canadian people were in favour of Newfoundland joining this Confederation.

Some Hon. Senators: Hear, hear.

Hon. Mr. Euler: In fact, I should like to suggest that the members of this house make it a point to visit Newfoundland next summer for the purpose of coming into personal contact with the excellent people of that province and learning at first hand something about the wonderful resources they possess.

The leader of the opposition (Hon. Mr. Haig) made a few remarks in his speech to which I should like to refer. He mentioned one thing that I have already advocated in this house, although perhaps not quite to the same extent. He made the suggestion—I suppose because there is such a preponderantly large Liberal representation here—that the Liberals should forget that they are Liberals. I am quite sure that it was merely forgetfulness that he neglected to say to the supporters who sit behind him that they should forget they are Conservatives. I am equally certain that if there were a big majority behind him he would still say the same thing.

Hon. Mr. Haig: I had the honour of saying that in 1946.

Hon. Mr. Euler: I do not remember that. I would remind my honourable friend that I have said the same thing, although perhaps not in the same words. I have always believed that the greatest usefulness of the Senate can only be attained if the members of this body exercise a spirit of independence in the widest possible degree, and decide questions on their merits. By that I do not mean that the Senate has any right deliberately to obstruct measures coming from the other house. I have expressed the opinion before that the Senate is an undemocratic body. We are not elected, and I think that we should not set our faces against measures passed by the elected house, especially at the first session after a general election.

Hon. Mr. Haig: Does that include all legislative measures coming from the Commons, or only those proposed by the government during the election campaign?

Hon. Mr. Euler: The people of the country elect the members of the House of Commons for a period of four or five years, and I think that thereby the members of that house are given a mandate to deal with legislation according to their convictions. I have always said that our Senate is quite unrepresentative, and I think it would be fair to have in this country some such provision as they have in England for curbing the powers of the House of Lords. I am not strongly in

favour of aping others or of following precedents, but I do believe it might be well if in Canada we had a provision that a measure once—or, if preferred, twice—passed by the Commons and rejected by the Senate would, if passed again by the Commons, become law, even though the Senate again rejected it. I think that would be responsible government and democratic government. That is my opinion, but I quite realize that some senators will not agree with me.

Hon. Mr. Horner: Would my honourable friend allow me to interrupt? His suggestion that the Senate should endorse all measures that have been passed on two separate occasions by the Commons seems to me to be too sweeping. I understood that the purpose of the Senate was to prevent the passage of hasty legislation originating in the chamber elected by popular vote.

Hon. Mr. Euler: To prevent the passage of hasty legislation, yes; but I should think that after the House of Commons has considered and passed a bill twice, that bill should become law. We have made some very important and valuable amendments to measures that have come before us; but the House of Commons represents the people, and in the final analysis should stand supreme in parliament.

I propose to deal briefly with one or two other subjects, but first I want to disabuse the minds of members that I am going to make a long speech on margarine. Of course, I do not agree with my friend from Blaine Lake (Hon. Mr. Horner). I cannot for one moment believe that the dairy farmers of Canada are being ruined by margarine. As a matter of fact, I know that a good many are themselves buying margarine and selling their butter, and they probably never had larger incomes than they have received in recent years. I certainly have no prejudice against dairymen or any other class of farmers, but I must admit that it is very gratifying to me to know that because of the Supreme Court's decision millions of Canadians—not merely four hundred thousand, but millions—are benefitting through the use of that excellent and comparatively inexpensive food, margarine.

I am only sorry that some of the provinces have enacted reactionary legislation which, though permitting the manufacture and sale of margarine, compels the busy housewife to colour the product in her kitchen, when it might as well have come to her already coloured by the manufacturer. Indeed, the province of Quebec and Prince Edward Island have gone so far as to prohibit entirely the manufacture and sale of margarine. I regret also that the Federation of Agriculture has seen fit to appeal from the decision of the Supreme Court of Canada to the Privy Council. In the end the opponents of margarine must lose their fight.

Let me conclude my remarks on this subject by saying that in the very unlikely event of the Privy Council reversing the decision of the Supreme Court of Canada and declaring that the federal law prohibiting the sale, manufacture and importation of margarine is constitutional, it will become my duty to introduce a fourth bill, or as many more as may be necessary, to repeal that prohibitory legislation.

Now I wish to pass on to a subject of infinitely greater importance to Canada and the world. I desire to make a suggestion which members may regard as highly idealistic, and not to be expected from a man who regards himself, and who perhaps is regarded also by others, as being of a practical turn of mind. But I believe the suggestion is essentially entirely realistic. My remarks will not follow along the lines of the excellent addresses made by the leader of the government (Hon. Mr. Robertson) and the senator from Inkerman (Hon. Mr. Hugessen). I do not pretend to say whether the devaluation of the dollar or of the pound was wise or otherwise, although I admit in passing that I should be very glad if we could soon get rid of all these controls.

I believe most members will admit that while the measures taken by the government may be immediately necessary they do not, in the long view, provide a complete solution of the problems of Canada and the western democracies. I believe that the remedy is and must be of a much more drastic nature. Today we feel that our chief problem arises from two very destructive wars, and now particularly out of the clash of the two great ideologies, democracy and communism.

Britain's financial difficulties are enhanced by the necessity of spending hundreds of millions of pounds in preparation for defence against a possible enemy in another war. Even in Canada, I believe, the present year's estimates for military or defence purposes are something like $400 million, an amount almost as great as we spent annually for all purposes prior to the last war, and nearly three times our national debt before the First Great War. It is also about three times as much as we paid out every year for carrying on all the public services of Canada prior to the First Great War. Yet, costly as they are, and probably quite necessary, these immediate remedies give us no real hope of relief from our difficulties during the lifetime of any of us here.

Now it seems to me that there are really only two possible solutions of these difficulties.

One is a moral, religious or spiritual revival among all the peoples of the world, with a real appreciation of the brotherhood of man and the need for living together in peace and harmony. I admit that I am not optimistic that this will occur.

The second solution is, in my opinion, complete world federation or union—or perhaps I should say a half-world union. In the Atlantic pact, which is a union for defence purposes, we have a recognition of the fact that in union is strength. Would not that union be infinitely stronger if it were enlarged to commercial and, yes, even political union? Perhaps that is a vision or a dream; but in view of the tremendous changes that have taken place in this country and all over the world during the last few years who will say that that dream or vision may not by force of circumstances become a reality?

The history of the world shows that from the earliest days there has been a development of the spirit of union—first the family, then the clan, then the tribe, then the principality, and finally the united nation. We see that situation in the countries of Europe. Italy, for instance, at one time was a mere hodge-podge of duchies and principalities; then—perhaps through the ambition of certain men, and the patriotic action of others—she emerged as a united country. The same thing took place in France, Germany and Great Britain. At one time there were the separate countries of England, Ireland, Scotland and Wales. Now, except for southern Ireland, they are one country. We have an outstanding example in modern Russia, that great combination of fifty or sixty republics united in the Union of Socialist Soviet Republics. I am speaking now of the historical trend of countries uniting, usually for the benefit of those who unite. Perhaps the greatest example of all is the United States of America. These forty-eight states, all, with a few minor exceptions, countries in themselves, are bound together in one great federation which has made it the greatest country in the world. That country constantly claims that it has the highest standard of living in the world. Well, I have been in the southern states, and if what I saw there was a sample of their high standard of living, we do not want it in Canada. By and large, taking into consideration the real values in life, I think the Canadian standard of living is just as high as that in the United States.

To come down to more recent days, we have the countries of the Cape Colony, the Orange Free State, the Transvaal, Rhodesia and Natal, all combining to form the great Union of South Africa. Australia has followed the same plan.

Coming to the history of our present day, we all remember that after the disaster of Dunkirk, Winston Churchill, then Prime Minister of Great Britain, offered a complete union between Britain and France. It was not accepted. The countries of Holland, Belgium and Luxemburg have formed the Benelux commercial union. At this very moment meetings are taking place among delegates of the western European democracies, with a view to forming complete federation for purposes which those democracies think necessary in order to give them strength.

The old proverb still stands: In union is strength. I am tempted to say that if we do not hang together we will hang separately.

In the early days the New England States had a rather loose sort of federation, which did not work out very well and the States were bankrupt. Through some plan—I think it was called the Alexander Hamilton plan—a closer union was formed, and as we know, it later became one of the strongest federations in the world.

Now the United States, Canada and Great Britain, along with the other members of the Commonwealth, might well join with France, Switzerland, the Netherlands, Western Germany and other democracies in one federation. In such a union as I suggest I would favour the inclusion of all democracies. Such a great federation would be founded on the theory that the stronger we make the democracies the better they will be able to defend themselves against that other great ideology found east of what is generally known as the Iron Curtain.

We have already proceeded in this direction by the adoption of the Atlantic Pact. Not all of the democracies are in it, but a good many are. If, in order to resist agression a military union is a good thing for us, surely a commercial federation, or a union for other purposes, would make us all the more strong. I believe that ultimately circumstances will force us into a union of that nature. It is not a new idea.

I think all senators receive the publication called "Freedom & Union" and are familiar with the fact that there is now before the Senate of the United States a resolution along the line of my suggestion. In fact, there are now two resolutions before the Senate and the House of Representatives in the United States. Some twenty very prominent senators have sponsored the resolution before the Senate, and the proponents of the resolution before the House of Representatives claim to have the support of 101 members of that chamber.

Resolution No. 56, sponsored by Senator Tobey and co-sponsored by 18 other senators.

calls on Congress to make it a fundamental objective of U.S. foreign policy to strengthen the United Nations and seek its development into a world federation of all nations. That at the moment is a matter of United States policy and does not particularly concern us. Another resolution was moved by one of the new members, Senator Kefauver, a Democrat from Tennessee. I shall not read the preamble, but the resolution itself is as follows:

Resolved by the Senate (the House of Representatives concurring), That the President is requested to invite the democracies which sponsored the North Atlantic Treaty to name delegates, representing their principal political parties, to meet with delegates of the United States in a Federal Convention to explore how far their peoples, and the peoples of such other democracies as the convention may invite to send delegates, can apply among them, within the framework of the United Nations, the principles of free federal union.

As I say, the thought is not a new one. It has fairly strong support in both houses in the United States. The resolutions probably will not carry, but the support is strong enough to arouse some thought and consideration on the part of the American people which may ultimately result in what Senator Kefauver—and I, in all modesty—believe will come to pass.

I regret that I have not the eloquence to place this subject properly before this chamber. Perhaps the senators will pardon me if I read some extracts which present my thoughts in better form than I could express them. A paragraph on the attitude of Senator Hill reads as follows:

Senator Hill saw the need to deal with broader problems than just the military. He said: "I think I can say that we all feel that the actions in the past do not hold the promise of a permanent or lasting peace. Some other action must be taken. The Atlantic Union Resolution is a step toward bringing together the peace-loving and democratic nations for our peace and for the peace of the world. We cannot deal only with military problems. We must also attack the basic economic problems which are the causes of war. This resolution suggests a method of accomplishing this.

This is from Senator Kefauver himself;

The fact is that we Americans face in the North Atlantic area with Canada, Britain, France and Benelux, not one problem but a complex of problems—economic, political, military, monetary, atomic, and, I would add, moral and spiritual. We have been trying to solve these problems separately, piecemeal, by the European Recovery Program on the economic side, and when that proved insufficient, by the North Atlantic Treaty on the political side; and already we are asked to supplement this with a rearmament program on the military side. Meanwhile a new monetary make-shift is looming ahead, and there are whispers of a new atomic enigma to be solved.

Not only are we still relying on the piecemeal technique which Secretary Marshall justly condemned in his celebrated speech, but we are confining our efforts to the diplomatic, or government-to-government approach. We approached this complex of problems first on a universal government-to-government basis, through Bretton Woods, the International Bank and Fund, the United Nations, the International Trade Organization, the Baruch plan. When that approach didn't work, we got down to the heart of the problem in the North Atlantic area—but still we tackled each side of it separately on this government-to-government diplomatic basis, in the Marshall Plan, the North Atlantic Treaty, the rearmament program.

The Atlantic Union resolution—

Which I have read,

—would not, I repeat, prevent continued efforts along these lines, or any of the variations of them that have been proposed in other Resolutions. But it would permit us to try also to solve this complex of problems by tackling them (1) as a whole; (2) in company with the Canadian, British, French and Benelux democracies with whom we share most closely these economic, military, monetary, and atomic problems, and who sponsored with us the North Atlantic Pact; and (3) on the man-to-man federal union basis of our own U.S. Constitution.

Surely this practical, 100 per cent American approach should not be the one approach to the problem that we should refuse even to try.

Honourable senators will observe that what I am saying is merely a suggestion that the Canadian people and the Canadian Parliament should think over the suggestion made by our American friends, supported by other democracies. We would not be committed to anything, but I should hope that if such a convention or conference is ever called, Canada would not refrain from attending it.

I do not wish to read a great deal more. I know that quotations are not interesting—

Some Hon. Senators: Go on.

Hon. Mr. Euler: —but I should like to put on record one or two comments upon this proposal. It is stated that:

Several newspapers commented on the first major statement on foreign policy made by Senator Estes Kefauver in the Senate July 13. Senator Kefauver strongly advocated passage of the North Atlantic Pact primarily as a device to give the free peoples of the North Atlantic area time to work out a union. An editorial in the *Chattanooga Times* (which was reprinted in the *Congressional Record*) said that Kefauver had "made a persuasive appeal for an Atlantic union . . . his Senate address provides the Nation with a thought-provoking thesis worthy of closest consideration."

That is all I ask today.

The *Washington Post* wrote:

It is a concept to which one returns irresistably in contemplating the true inwardness of the British crisis. . . . If the real solvent of the British crisis is, as we feel it, on the political level, then the nature of that solvent is obvious. It lies in . . . union."

Like many another newspaper—

This magazine goes on.

—the *Post* felt the AUC resolution should have official hearings. It wrote: "Senator Kefauver seems to think that a call for a constitutional convention of the democracies would find a response. It is, it seems to us, worth exploring with our Canadian neighbours now with the Atlantic Pact (which is a military recognition of the oneness of the Atlantic community) is out of the way, and worthy of hearings in the Foreign Relations Committee."

I will read just one other quotation, taken from an English newspaper, the *London Observer*:

> The *London Observer* thought it curious that "in international politics the greatest and boldest ideas make the least immediate impact on public opinion." Then, describing the introduction of the resolution, it went on to say, "So far there has been hardly any comment anywhere on this revolutionary idea: and yet the motion . . . confronts us with the greatest issue of our time." Highly in favour of the project, the *Observer* remarked that "all the difficulties and worries of the day press in the direction of an Atlantic Federation. Whether we think of the security of Western Europe, of the dollar crisis, or of the British-American dispute about the atom-bomb, there is no permanent and wholly satisfactory solution to any of these problems except in the context of an Atlantic State.
>
> "We are at present trying to achieve for the Atlantic community of nations the stability, the security, and the economic unity which are the normal attributes of a State, without daring to make an Atlantic State. . . . It is not only grander and more inspiring, but far easier and more sensible to face the fact that the common permanent interests of the Atlantic nations demand a common federal state."

I might also give citations from the French Press.

All the comments I have read favour the idea. I daresay there are editorial opinions which oppose it, though I have none such before me. I realize that in Canada it might create objections. Some may come from our industrialists; I do not know. I do not believe there would be any objections from the Maritimes, Newfoundland or the prairies. The honourable senator who has just spoken remarked that he was in favour of free trade.

Hon. Mr. Aseltine: For the prairies!

Hon. Mr. Euler: I have been wrongly tagged in some quarters as a high protectionist. It might be well that I should amplify at this point what I said was my attitude with regard to tariffs when I was a member of the House of Commons. My position was this: so long as the United States keeps its markets closed to Canadian goods, so long I believe should the Canadian producer—if you like, the Canadian manufacturer—have some preference in his own home market.

I realize that the birth-pangs attending a union of this kind might be somewhat disturbing, but I am taking the long, over-all view. During the last war the Canadian held his own with the American producer. We know that in the United States any number of smaller producers, including manufacturers, can compete with the great industries of that country and survive; and if the Canadian were assured of the permanency of that great American market of 150 million people, I think he could hold his own, that he would adapt himself, and that in the long run he might be better off than he is now.

I am not by any means making a free trade speech. I would say again that my sole purpose in what I am saying here today is to give rise if possible—even though the stimulus comes from a senator—to some thought and some discussion. It is true that much of what is said here receives very little attention in the press of Canada. I do not ask any special treatment in this regard. Perhaps I might add that what we say here does not always receive a great deal of attention from the government itself. But this subject is worthy of consideration and discussion. I realize that the action I have suggested would mean the coming of a new era. I bring the matter forward in the hope that it will give food for careful thought and discussion; and if ultimately the two half worlds, the federated democratic half, on the one hand, and the communistic half led by the Soviets, on the other, were to come together, certainly that would be "a consummation devoutly to be wish'd", and the development of fission of the atom would be continued for the benefit of all mankind rather than for its destruction.

Hon. Mr. Roebuck: I would ask the honourable senator from Waterloo (Hon. Mr. Euler) if he has read Mr. Streit's remarkable book entitled *Union Now*?

Hon. Mr. Euler: Yes.

Hon. Mr. Roebuck: It is an authoritative piece of work.

Hon. Mr. Euler: As a matter of fact, Mr. Streit has a great deal to do with the publication that I have before me.

Hon. Mr. Roebuck: I would recommend the perusal of those pages to any honourable senator who has listened, with the same interest as I have, to the address which has just been delivered by the honourable senator from Waterloo (Hon. Mr. Euler).

On motion of Hon. Mr. Vaillancourt the debate was adjourned.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, October 6, 1949

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 N-1, an Act to incorporate the Prairie Pipelines Limited.

The bill was read the first time.

BUSINESS OF THE SENATE

Hon. Mr. Robertson: Honourable senators, before the Orders of the Day are proceeded with, may I briefly indicate for your information my proposals as to future sittings. Some little time ago I stated that it was my hope to be able to present for the consideration of the Senate sufficient legislation and other business to keep us in session each week until at least the end of October. Unfortunately the progress made in the other place with important legislation has not been such as to confirm that hope, and later this afternoon I intend to ask the house to consider a motion that when we adjourn we stand adjourned until Monday, the 17th day of October, at 8 p.m., when I trust there will be a considerable amount of business before both this house and its committees.

In order to facilitate hearings on the pipelines legislation, the chairman of the committee concerned has arranged that a meeting of the committee be held on Tuesday morning next at 11 o'clock. When the Bankruptcy Bill receives second reading here, it will be referred to the Committee on Banking and Commerce, and I shall endeavour to arrange a meeting of that committee so that any interested parties will have an opportunity to make representations. In the meantime I have no alternative but to move as I have indicated.

Hon. Mr. Haig: I have received requests, verbal and otherwise, for copies of this bill, and I understand it is not the practice to give copies of bills to the public until they have been read a second time.

Hon. Mr. Robertson: The bills may go to the public at any time. However, the Bankruptcy Bill is up for second reading today, and the progress we make in that regard is up to the house.

Hon. Mr. Crerar: May I ask the honourable leader if it is intended to have meetings of the Standing Committees on Transport and Communications, and Banking and Commerce next week?

Hon. Mr. Robertson: They will be held on October 18 and 19.

Hon. Mr. Crerar: Thank you. I was not clear on that point.

DIVORCE BILLS

THIRD READINGS

Hon. Mr. Haig, Deputy Chairman of the Standing Committee on Divorce, moved the third reading of the following bills:

Bill G, an Act for the relief of John Henniker Torrance.

Bill H, an Act for the relief of Edith Harriet Black Hambly.

Bill I, an Act for the relief of Margaret Reid O'Connell.

Bill J, an Act for the relief of Alton Charles Bray.

Bill K, an Act for the relief of Kathleen Gertrude Macartney Dorken.

Bill L, an Act for the relief of Louis de Forest MacAlpine.

Bill M, an Act for the relief of Jessie Fraser Blaiklock Stewart.

Bill N, an Act for the relief of Alice Lafond Burnham.

Bill O, an Act for the relief of Muriel Annie Elizabeth Hicks Kurtzman.

Bill P, an Act for the relief of Robert Walsham Herring.

Bill Q, an Act for the relief of Leta Helen Butler Waller.

Bill R, an Act for the relief of Violet Blodwyn Young Murdoch.

Bill S, an Act for the relief of Joseph Tannenbaum.

Bill T, an Act for the relief of Isabel Christine MacLean Robinson.

Bill U, an Act for the relief of Marie Annette Vallieres Handfield.

Bill V, an Act for the relief of Nicholas Kouri.

Bill W, an Act for the relief of Viateur Fortier.

Bill X, an Act for the relief of Lois Elizabeth Rolph.

Bill Y, an Act for the relief of Madeleine Dunn Landry.

Bill Z, an Act for the relief of Arthur Joseph D'Avignon.

Bill A-1, an Act for the relief of Jessie Gwendolyn Paul Giroux.

Bill B-1, an Act for the relief of Celia Maria Gabrielle de Costa Baxter.

Bill C-1, an Act for the relief of Dorothy Amelia Beattie Harrison.

Bill D-1, an Act for the relief of Rosaline Laham Anber.

Bill E-1, an Act for the relief of Anna Starzynski Sztafirny.

Bill F-1, an Act for the relief of Marjorie Claire Dickison LeMieux.

Bill G-1, an Act for the relief of Dorothy Ruth Brown Bailey.

Bill H-1, an Act for the relief of Lorne Bradbury Ashton.

Bill I-1, an Act for the relief of Harry James Seaban.

Bill J-1, an Act for the relief of Julia Seram Odenick.

Bill K-1, an Act for the relief of Myrtle Elizabeth Howat Brammall.

Bill L-1, an Act for the relief of Francis Gilmer Tempest Dawson.

Bill M-1, an Act for the relief of Imelda Poirier Tremblay.

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

BANKRUPTCY BILL

SECOND READING

Hon. Mr. Robertson moved the second reading of bill F, an Act respecting bankruptcy.

He said: Honourable senators, I have asked the honourable senator from Carleton to explain this bill.

Hon. J. Gordon Fogo: Honourable senators, it has sometimes been said that legislation in Canada is passed hastily and that those interested and the public in general are not given an opportunity to study its provisions. I do not think that can be said of this Bill F, which appears to have had a rather checkered career. This, I believe, is the fourth time that the bill has been introduced in this honourable house. It was first brought down in the year 1946, in a somewhat different form from the present measure, and was laid over for study for a period during which representations concerning it were made. Subsequently, in 1948, it came up again in a revised form. And, as most honourable senators will remember, it was introduced for a third time at the first session of this year, but unfortunately, owing to early dissolution, consideration of it was not completed. The present bill, I am informed, with very few exceptions is practically identical with the bill that was before the Senate last session.

Generally speaking this bill, like any bankruptcy legislation, is designed to provide machinery for liquidation and distribution in an equitable manner of the estates of insolvent persons. It applies to all business and commercial concerns, and also to wage earners earning more than $2,500 a year. It does not apply to people carrying on the business of farming, who are covered in turn by special legislation.

I am going to take a minute or two to review the history of Canadian bankruptcy legislation generally, which, strangely enough, like that of the present bill, has been somewhat checkered. Before confederation there were insolvency Acts in the various provinces. The first dominion legislation on the subject was passed in 1869. That was known as the Insolvency Act, and applied to traders only. In 1875 that statute was revised and consolidated, but the administration did not prove to be satisfactory and the Act was repealed in 1880. In the interval between 1880 and 1919, almost forty years, there was no dominion bankruptcy legislation. Some of the provinces, of course, had insolvency Acts and provisions for assignments and insolvency. After the hiatus of nearly forty years, the present Bankruptcy Act was passed in 1919. It was then a completely new code, modelled upon the English Statute of 1914. Some amendments were made in 1931, and in 1932 there were substantial amendments, providing, among other things, for the appointment of an officer known as the Superintendent of Bankruptcy, to supervise the administration of estates under the Act.

The volume of estates in bankruptcy in Canada has varied over the years very substantially. The highest number was in 1933, when there were 2,600 estates under administration; in 1936 there were 1,100, and the low ebb was reached in 1945 with 265. I have not before me the exact figures as to the number of estates in bankruptcy since 1945, but my recollection is that last year there were about 700.

The general procedure under the bill before us, which I shall explain briefly, is as follows: A debtor who becomes insolvent may become a bankrupt either by his own act of making a voluntary assignment or by the act of one or more of his creditors who have claims against him aggregating $1,000. Under the present Act the claims need only aggregate $500. Whether he becomes a bankrupt by his own act, the functionary with whom he deals is known as an official receiver. There are several of these officials, appointed for the purpose, in various parts of the country. The official receiver then calls a meeting of creditors at which a trustee of the estate is appointed; the creditors then appoint inspectors. With the assistance and advice of the inspectors, the assets of the estate are then realized on and distributed in accordance with the regulations provided for that purpose. This operation is carried on under the general supervision of the superintendent and the court.

I should point out that under the Act now in force the first functionary appointed is known as the custodian, who carries on until such time as a meeting of creditors is called

and a trustee appointed. Under this bill the office of the custodian is eliminated, and the Official Receiver appoints a trustee licensed by the Superintendent of Bankruptcy with the approval of the minister. At their first meeting the creditors may, if they wish, carry on with the trustee appointed by the Official Receiver, or they may appoint a new trustee.

The bankruptcy bill is a voluminous one, and it would not be proper for me at this time to discuss its many sections. I have found, and many honourable senators know, that the late Mr. Reilley, Superintendent of Bankruptcy, and his successor, Judge Forsyth, received many compliments from the committee of this house which studied the bill, and from those who made representations before that committee.

The bill provides a more orderly arrangement of subjects and the language in many sections of the Act has been simplified. One or two of the more notable changes should be mentioned. The bill reinstates a provision which was in the Bankruptcy Act of 1919. During the period from 1919 to 1923 the Act contained a provision whereby an insolvent person could make a proposal to his creditors without making an assignment or having a receiving order made against him, and thereby suffering the stigma of bankruptcy. The bill now provides that an insolvent person may make such a proposal without going through the procedure of bankruptcy.

A further change which has been generally accepted as an improvement, is a code for the administration of small estates in an economical and inexpensive manner. This section of the bill covers estates with assets of $500 or less, and provides a simplified procedure for their administration. A subject which will be dealt with by the committee is the "Scheme of Distribution", which is covered by section 95 of the bill. This section lays down the order of priority in which claims shall be dealt with. Difficult and vexing problems in years gone by, concerning which creditors should be paid first, give rise to this change. I think the section will clarify the situation and avoid some of the confusion which has existed in the past.

Section 64 of the bill, which deals with fraudulent preferences, contains quite substantial changes. An endeavour has been made to avoid the many instances of litigation arising out of administration of estates. Perhaps I should read section 64 (1). It is as follows:

> Every transaction, whether or not entered into voluntarily or under pressure, by an insolvent person who becomes bankrupt within six months thereafter and resulting in any person or any creditor or any person in trust for such creditor or any surety or guarantor for the debt due to such creditor obtaining a preference, advantage or benefit over the creditors or any of them, is void against the trustee.

The new words of significance are "resulting in any person getting a preference". The previous section, also numbered 64, was somewhat differently worded, but the operative words to which I direct your attention in the old section read, "with a view of giving such creditor a preference". This new section, therefore, appears to have removed the necessity for determining the intent of the bankrupt, and, as was the law in certain provinces, of the creditor concerned. Some differences had arisen in the jurisprudence as between provinces. In some provinces the doctrine of concurrent intent was developed and the courts were inclined to look not only at the intent of the insolvent but also at the intent of the creditor who got the preference. No doubt this new section 64 will be discussed in committee. Obviously the intention is to remove the uncertainty which everyone familiar with bankruptcy laws knows existed under the former section. It has been argued, and no doubt will be argued again, that where a body of law has been built up around the old section 64, and some people at least know what they think the law is, it ought not to be changed even though the new Act may be admitted to be an improvement.

One other notable innovation of this bill is found in sections 127 to 129, which deal with the discharge of bankrupts. Under the existing legislation it has been necessary for a bankrupt, after the administration was completed, to apply to get his discharge. For various reasons, whether because the debtor did not know he was entitled to do this, or for other reasons, it was not customary for bankrupts to apply for their discharge. Following legislation in other countries—I think in the United States, and perhaps in Australia —this bill incorporates what might be regarded as an automatic application for discharge, because the occurring of the bankruptcy through assignment or receiving order in the first instance is also treated as an application for discharge. The debtor of course has to satisfy the court that he qualifies before he gets his discharge, and the conditions are laid down.

To move on quickly and in a very summary way: there are other miscellaneous provisions which might be mentioned. The new bill vests a greater measure of control in the creditors and inspectors. The powers of the superintendent have been made more explicit. As I have said, the superintendent, with the approval of the minister, licenses trustees. A creditor may now proceed in his own name where the trustee neglects or refuses to act

in a given case. The remuneration of trustees has been increased; that is, the maximum remuneration has been enlarged from 5 to 7½ per cent. The estate of a deceased debtor may now be administered. The duties and fees of inspectors have been increased. Provision is made for the proving of all claims, whereas formerly certain claims were not covered. The duties of the bankrupt have been clarified and extended. The courts of Newfoundland and the Northwest Territories have been vested with the necessary jurisdiction. The powers of the registrar have been extended and clarified. The provisions re legal costs have been revised. Bankruptcy offences have been revised and, in most cases, made triable by summary conviction. All provisions of the bill have been made applicable to the Crown. This would probably not affect the Crown as a debtor but, at any rate in most cases, as a creditor; and in respect of a composition or proposal the Crown would be bound as the others.

As I have said, the intention of the bill is to clarify and simplify the legislation. There will be ample opportunity in the committee to examine the particular provisions which I have mentioned and to hear representations in respect of them.

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.

SPEECH FROM THE THRONE

ADDRESS IN REPLY

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

(*Translation*):

Hon. Cyrille Vaillancourt: Honourable senators, I am happy to join with several of my friends who have spoken before me in presenting to our distinguished Speaker my congratulations and my very best wishes. I have known him for several years, and I am convinced that the great dignity which he has shown in his public and in his private life will leave their mark upon the speakership of this Chamber. I am sure, therefore, that if tempers flare up during our discussions, one look from him will restore calm and order.

The mover of the address in reply (Hon. Mr. Godbout), who is a good friend of mine, has performed his task with the poise and brilliance which he has always shown throughout his career. Those of us who could follow his speech in French were in a position to appreciate his impeccable language and diction, which were worthy of a scholar.

I fully appreciated the story of Newfoundland told by our good friend, the seconder of the Address (Hon. Mr. Petten). His province is the oldest part of Canada, having been discovered even before Quebec. In the French language we call his island province "Terre-Neuve", which might be translated as meaning "Young Land", and the contribution it will make to confederation may well place our country in a state of prosperity.

Honourable senators, I do not intend to speak for very long, but I am afraid that the two points I wish to discuss will place me in the same position that my honourable colleague from Waterloo (Hon. Mr. Euler) occupied yesterday, when he apparently spoke, as it were, in the desert. In New York City today thousands of people are watching a world series baseball game, and millions more are listening to the broadcast of the game over their radios. In recent days the people of our nation have been reading newspaper accounts of a terrible murder that took place in our country, but, honourable gentlemen, these events which are given such prominence in our press will not save the world. We speak of the devaluation of various world currencies, but we should pay more attention to the devaluation of the moral standard of the press.

In the first place, I wish to deal with housing, a matter which I think is of the utmost importance. If we want to fight communism, the most effective way is to make each householder master in his own home by giving everyone the opportunity of owning a house where he may live, love and even die happily. What a beautiful dream! Can it come true? The housing problem is a national problem which concerns not only the federal authorities but also the provinces and municipalities. Those most affected by the housing problem are the workers earning from forty to fifty dollars a week. There is no use asking those people to make a down payment of $1,200, $1,500 or $2,000. According

of fifty dollars a week is required to maintain a decent standard of living and a minimum level of health in a family of five paying forty dollars' rent monthly. This finding was arrived at by the Council after a six-month survey of the essential needs of such a family. Do you wish to know the weekly distribution of those fifty dollars? In the opinion of the Council, a family of five should spend $82.98 per month on food; $34.68 on clothing; $3.54 on repairs to clothing; $4.24 for transportation; $15.64 for recreation, personal allowances and religious services. Household furniture should take $2.50; laundry, $2.10; electricity and gas, $2.02; medicine, 20 cents; newspapers, 92 cents; recreational programs in the home, $1.33; cleaning, 68 cents; heating, $8.65; hot water, $2.82. Yearly savings would thus amount to $24.00. It would, therefore, take some forty years for a family to put aside $1,000, provided the $24 savings were deposited in the bank at 1½ per cent interest. Under the circumstances, I am afraid not many of our workers will ever become home owners.

Under the new Housing Act, could not a solution be found to the problem of workers earning an income such as I have just mentioned, so that by paying a reasonable rent they may some day become masters in their own houses? We are given to understand that there is an act under which the federal government is ready to advance 75 per cent of the cost of a multiple-dwelling house, provided the province supplies the remaining 25 per cent. Could we not do the same thing for housing co-operatives? I admit that the extension of such facilities to each individual may lead to abuses. In the case of housing co-operatives, however, almost all such abuses can be prevented, because their members are carefully selected. The selection of a new member is first based on his moral character and integrity, and such moral qualities, after all, do mean something and are even more valuable than many promissory notes.

In the province of Quebec, on a loan of $6,000 the government pays the interest up to a maximum of 3 per cent. Now, if the loans granted by housing co-operatives were to be guaranteed by both governments, lending companies could reduce somewhat their rate of interest. A loan of $6,000 at 4½ per cent, repayable in twenty years, requires a monthly outlay of only $37.96; and again a $7,000 loan at 4½ per cent, repayable in twenty-five years, means a monthly instalment of $38.91. Some may say that a $6,000 or a $7,000 home is not a mansion. I agree. However we do not want to build mansions, we want to build homes.

Reverting to housing co-operatives, each member of those which I have seen in operation did part of the inside work on their homes, such as painting, carpentry and plumbing. All this means a saving in the building costs and, at the same time, a better guarantee for the money-lenders. Indeed, a man who has worked himself on his own home is much more attached to it and more anxious to keep it in good shape.

Municipalities could also contribute, without making outright gifts to home-builders. For example, in the case of housing co-operatives, municipal authorities could have the lots prepared and levelled, and perhaps the cellar excavated; this while not costing them very much would mean a great deal to each member of such co-operatives. It would also help to promote town-planning. You have no idea how constructive and inspiring is this spirit of co-operation!

The second point which I want to discuss with you, honourable senators, is the devaluation of currency.

Last week, I followed closely the excellent acount of our friend from Inkerman (Hon. Mr. Hugessen), and I would like to add my views to his. I fear, however, as our friend from Waterloo put it, that what I may say will fall upon deaf ears. Nevertheless, if I repeat as often as possible and indicate the danger which is upon us, there may be a few here and there, who will be willing to take heed and try to apply these principles. Who knows? The mustard seed may yet become a large tree.

Devaluation of currency can only be a temporary remedy, a remedy which may well cease to be effective if all countries, as seems to be the case, resort to it. We are then exactly where we were before. If we were willing to try it, there is however another means of obtaining the results we are seeking, not by using depreciated currency but by using a currency which has always had the same value and will retain it to the end of time,—the value of work.

We want to sell cheaper in order to lay our hands on other countries' markets. Let us organize in such a way that we may be able to produce more cheaply and more rapidly. Let us take the means to manufacture in half an hour the goods it took us an hour to make yesterday. Apparently, to the National Welfare Council, an income

mechanical achievement has now reached the point where workers hardly have to work at all. We have the 36, the 32 and 30 hour week, and the 20-hour week is probably not very far off. The rest of the time will be the week of leisure. How can we hope to produce more cheaply under such conditions?

Idleness is the root of all evil. I am not in favour of returning to the 60-hour week, or to the sweatshop, but between the two there is a margin. Goods which it took us an hour to manufacture yesterday, might just as well take two hours. Currency is devalued, but in the end there is no change, because the prices have not budged. It took two or three months formerly to build a house; today it takes twice as long, and the work is not as well done.

Here is a more concrete example: Every summer we have the so-called daylight saving time. Under the law, municipalities are allowed to push the clock one hour ahead, thereby saving light, electricity and some heating. But if the Maker of light were to say: "Men want to get ahead of me. Very well, henceforward, the sun will give forth its light for one hour less, and I will advance daybreak by one hour," what would happen? The problem would remain unchanged.

That is about what we are doing: currency is devalued and work decreased, which gives a negative result. Let us work better, more cheaply, more carefully, in order to produce more cheaply. That is the only way to reduce the cost of production.

But who, in a democratic country, is willing to enforce this universal law of work, which has been in existence since our first parents were put out of the Garden of Eden? Too many people still hope for heaven on earth.

Indeed, the salvation of the world lies in the law of work, which is a law of stability, provided it is properly applied.

There are other moral values—stable, perpetual and even eternal—which could lead the world to the true and durable peace that all of us ardently desire. Our friend from Waterloo touched upon these yesterday. As the two points he raised concerned moral values, I will conclude with this point.

We resort to material means only, in order to solve all our economic problems. Peace is an issue which transcends matter. If you really want peace, you must look for it in the human soul and heart. To secure this peace, it will therefore be necessary to use remedies which go beyond matter and, if we want to reach our goal, we will have to develop the moral and spiritual values which are latent in man but which we too often ignore, or want to ignore.

Our friend from Waterloo spoke of a world federation of states. How beautiful, how marvelous this plan would be if each one of us were willing to contribute good will, love and a spirit of co-operation, instead of a mere veto. To reach this goal, we must rely on a value much greater than ourselves, a value which may well place us in separate camps when difficulties arise. This moral value which transcends us is God himself. It was dinned into our ears that the object of the last war was to save "Christian" civilization from the atheistic way of thinking. Is that word a misnomer? How does this Christian civilization work? What makes Christians out of us? That is what we too often forget, or rather what we do not stop to think of. Christian civilization is a civilization not of pride, but of love. If only we in this confederation of peoples, the United Nations, could develop these moral, immutable and ever victorious values of belief in God and love of neighbour, plus that other value, "work", the world would tomorrow be a better place to live in. But to attain this goal, we would first have to practise these things ourselves before they could have any effect on others. The world of tomorrow would then be better than the world of today, because each one of us would have become a better man.

To conclude, let us help our people to become home owners as much as we can and we will have done a great deal towards making better citizens out of them and strengthening their ties to country and home. But let us not persist in trying to settle all the big social problems with physical solutions alone. Rather, let us convince ourselves that it is through constant, persevering and hard work that we will better our lot. Let us place on as high a plane as possible the moral and spiritual values, which remain unchanged, and which man cannot devalue; so that through our way of living, of thinking and of appreciating things, these moral and spiritual values may grow in us and thus ensure the peace which we so ardently desire.

(*Text*):

Hon. A. N. McLean: Mr. Speaker, on rising may I join honourable senators who have preceded me in congratulating you, sir, upon your elevation to the position of presiding officer of this honourable chamber.

Honourable senators, I wish also to join in congratulating the mover (Hon. Mr. Godbout) and the seconder (Hon. Mr. Petten)

of the Address in reply to the Speech from the Throne, and in welcoming the new members who recently have joined us in this chamber.

I have listened with keen interest to those who have already spoken in this debate; and while I do not intend to make a lengthy speech, I should like to discuss a few points with regard to world trade. Devaluation of the pound has not solved the trade problems of the democracies or the English-speaking world by any means. It is only a start. It seems to me that devaluation deals with an effect, not with a cause. The difficulties that confront both international and empire trading are many, but they are all really man-made, and what man does as far as trade goes he can undo.

Take the position of the United Kingdom, our best customer. England has outstanding more than 13 billion pounds in short term debts which she owes to many nations. Most of this debt was incurred during the last world war, the money being spent on the endeavour to preserve the democratic way of life, which we in America so much enjoy today.

Something has to be done to reduce and refund this debt; and to a great extent this is the responsibility of the democratic world. A large percentage of British exports today are "dead horse," for they go to pay interest and principal on foreign war debts. Since the recent war England has given to continental Europe more than 900 million pounds of unrequited exports, and hundreds of millions of pounds go annually to Asia and Africa, where England has large obligations. These are so large that they are almost unbearable, and they hang like a hopeless, dark cloud over Empire trading. Much has been written about the dollar crisis, as though it were a Commonwealth problem. The fact that the United States has an annual favourable trade balance of around $7 billion seems to have been somewhat overlooked. Of this amount the sterling area gap accounts for only about $1,600 million. It is generally agreed that if Great Britain did manage to export another $200 million worth of goods to the United States it would be quite an achievement. England has little, if anything, to export in the way of raw materials; therefore any additional exports would have to consist of manufactured goods.

An examination of the figures in an effort to find a solution, indicates that it does not greatly matter whether the sterling deficit is $1,400 million or $1,600 million, for even if Britain could perform a miracle, and square her annual trade deficit with the United States, the rest of the world would still have a trade deficit with that country of $5,600 million. It can pretty well be taken for granted that without serious internal readjustment, the United States economic set-up at the moment is such that she cannot take enough imports to balance her exports. Considering the serious economic situation which exists, one can see that little was accomplished at the meetings in Washington to really solve the fundamental problem of getting international trade in balance.

After many years of trading with most nations of the world, one thing I am sure of is that the exporting nations must ultimately take back imports for what they send abroad. Otherwise they will, in time, have to make a present to the debtor nations. All that any nation has with which to pay her bills is the return she gets from what she produces.

Conditions being what they are today, Canada cannot sit on the sidelines. Our dependence on foreign trade is around 25 per cent of our total trade, that of the United States is less than 7 per cent, and that of England is about 17 per cent. The position of this country in the matter of dependence on international trade is self-evident. Further, Canada cannot sit by and see the globe divided into three economic worlds—the totalitarian states, the dollar area, and the sterling area. Such an economic division would be fatal, for we would find it impossible to survive against the competition of dictator states. The democracies must have a united front, and must work vigorously to survive and prosper.

The British Empire could be the greatest territorial trading unit of the world, for it possesses more raw materials for the purpose of foreign trade than either the United States or Russia. Other parts of the Commonwealth are looking to Canada for leadership. True, we led them into the Bretton Woods agreement—and what a dense jungle it turned out to be. I cannot see that the world bank or the monetary fund has done anything for the Commonwealth except to take its money by the billions of dollars. As the Finance Minister of Australia said, the only transaction that country ever had with the world monetary fund was when it collected a deposit of over $400 million.

I think the nations, including our own, should get rid of the controls as soon as possible, and let each of the respective mediums of exchange find its own level. In that way we would soon get exchangeability and convertibility at some level. These are things we have not got today.

A clearing house for money is absolutely essential for the carrying on of world trade. Controls served us very well in wartime, but the war has now been over for four years.

We are allowing too many people, members of boards and so-called experts, to do our thinking for us. This country was built up by pioneers who did their own thinking, and I certainly choose to do my own when I can. International money systems should be handed back to private enterprise. When that is done, private traders who are now sitting on the sidelines will get busy with their venture capital. International traders will risk their money in competition with one another, but not in competition with governments who can change the rules of the game, including values, overnight. During wartime it may have been necessary to fix prices, but, as said previously, the war has now been over for several years, and we should get away from the things that are false and unreal, and return to the things that are true and sound. The true value of money is what it is worth in the markets of the world, without artificial interference.

We find fault with the dictator states, and the way their governments have of fixing the prices of commodities. Anyone who lives behind the Iron Curtain and goes into a government store to make a purchase of goods finds that the prices have been fixed—and he can pay the fixed price or else. All trade consists of transactions. Half of the transaction is the exchange of real wealth, such as lumber, fish, farm products and so forth, and the other half is the exchange of money. Now, it is just about as bad for governments to fix the value of money as it is to fix the price of goods. Each is equally important and plays an equal part in our trading transactions. Almost all of our income as a nation comes from trade. We take the raw materials from the land and the sea, and from them we prepare commodities for markets either at home or abroad.

As has been stated, export trade is extremely important to Canada. In these circumstances we should pay greater attention to our fellow members of the British Commonwealth. They are looking to us to show the way. Great Britain has enormous real wealth, but it is encountering very serious economic troubles of a temporary nature because of two world wars. We have a surplus of goods, and it would indeed be a far-sighted policy in this time of emergency to extend a helping hand to our sister nations of the Commonwealth. Such nations as South Africa, Australia and New Zealand have an abundance of natural resources, and there is no question but that in due course they will be able to return value for any goods and services that we extend to them at this time of trade crisis.

It has been asked many times what is the remedy for the world trade crisis. I have studied the situation hours on end, and read practically all available material on this subject, but the only real solution I can find is in the proposals adopted by the Federated Chambers of Commerce of the British Empire, which met at Johannesburg, South Africa last year. These proposals were forwarded to this country for consideration but nothing was done about them. Some of the best brains of the Empire met at this conference. Many of the delegates had spent their lives in world trade and understood trade problems, I think, thoroughly from a practical standpoint. The report of this important congress and the detailed proposals they sponsored and asked us to consider with a view of adoption are available to honourable senators.

To put the proposals in short form: nations were asked to fully recognize the fundamental fact that exports must be paid for by imports, and that debtor nations have no other way to make international payments except by their own production of goods and services. Any creditor nations not desiring to take imports at once, either directly or multilaterally, from a nation in their debt, would accept a credit from such debtor nation. It would be like a bank account held within the debtor nation or by central banks, but at the disposal of creditor nations, to be used bilaterally or multilaterally, and the creditor nation would be allowed seven years within which to exercise the credit or dispose of it to another nation. After that period the Statute of Limitation would apply in the same manner as it does to internal debt. In this way a creditor nation would be able to control its imports according to need over a seven year period. What I mean by that is it could take more in some years and less in others, but it would have to square the account in seven years or lose out. At present, nations have no guarantee that a willing seller to the world is a willing buyer from it. So long as this is so, imports may result in the buying nations finding themselves with an unpayable debt, since the selling nation may refuse to take payment in the only possible manner, namely, in imports, whether directly or through a third country. The chambers of commerce of the Empire feel, and I agree with them, that a system whereby the credits of any nation on the rest of the world, arising from exports and not cleared by imports, become proscribed, would be a powerful inducement to countries with export surpluses to take energetic action with a view of bringing up the total value of their imports to figures that would roughly correspond with the value of their exports over, say a seven year period.

In the old days nations having an international trade deficit were generally able to float a loan and keep going; but the debt system is all played out. The world is now piled sky-high with debts; they have reached unheard-of heights. A very large portion of them is unconverted and non-convertible. The increase between 1939 and 1946 was ten times all the debts accumulated from the time of Adam until 1939. Anyway unpaid debts only put off the evil day of settlement, and interest compounds in the meantime.

Now the only possible thing to do is to make trade a two-way street in every sense of the word, and I am satisfied that the Federated Chambers of Commerce of the British Empire have shown us the way.

I would like to say a word here about our trade with the United States.

The United States market is at our door. Congress recently extended for another year President Truman's power to slash tariffs fifty per cent; and I believe that if this country would put forth exhaustive efforts we could suceed in getting a reduction of one-half on many commodities shipped to the United States. I have before me a copy of the well-known publication *The Wall Street Journal,* under date of September 29, with the following headlines:

President Truman will breach tariff wall on 250 items now and many more later.

Forty nations, duty-slashing session planned for 1950.

The article continues:

About October 10 Mr. Truman will announce a slash in import duties for around 250 commodities and manufactured goods . . . You can expect United States concessions on a great variety of important and unimportant goods—some dairy products, textiles, laces, hardware, table utensils, leather goods, wood products, cordials, jellies, jams, candied fruits, rum fruits, musical instruments, seeds, machinery of a certain type, molasses, granite, light hand lenses, etc. The October pact will only be the beginning. State Department experts are already preparing for a 1950 tariff-trimming session on a grander scale with 40 nations. The idea is that American negotiators at the next World Conference would agree to reduce many more United States duties as far as the present law allows, i.e. 50 per cent below the rates of 1945. Congress does not have to be consulted on either the 1949 or the projected 1950 assault on the tariff wall. It has already granted President Truman blanket authority which lasts until mid-year 1951. The ten nations which agreed at Annecy, France, a few months ago to make equivalent tariff reductions were Denmark, Finland, Sweden, Italy, Greece, Liberia, Haiti, The Dominican Republic, Nicaragua and Uruguay.

Although we had delegates at the conference, nothing is stated in the article about Canada; yet we are the largest customer of the United States. The American hope is to bring American imports into better balance with exports, which are now largely sustained by the Marshall Plan. The British, in particular, are pushing for lower duties on goods they want to sell in the United States. The French also are working for United States tariff cuts: they have presented a list of over two hundred commodities on which they want reductions.

The opportunity is ours! President Truman is holding out the olive branch in the direction of tariff reduction. We are nearest to the United States and, as I have said, their largest customers. President Truman, I think, realizes that nations can only pay for their imports by what they can produce for export, and that a creditor nation should not ask for payment and then put all kinds of impediments, such as high tariffs, in the way of payment by the debtor nation. In these times it is useless for nations to bar imports by means of high tariffs and then ask for payment in their own respective currencies, over which a debtor nation has no control whatsoever. What control have other nations over Canadian money? What control have we over United States money? Yet, when we sell abroad, we tell our customers "You must pay us in our own currency." I know of a lot of items produced by the fish industry that would have a much larger sale in the United States if the duty were reduced. Some of these brands of fish are not produced in the United States. The effect of the present United States tariff is simply to put up the cost of living at the expense of the working man across the border; and this, I would think is contrary to the policy of a democracy. I know that many other Canadian industries besides fisheries could point to numerous items on which the United States tariff could well be substantially reduced to help bring our trade accounts into balance.

The policy now in force across the border, as I have stated, is to help other countries to close the gap, so that each country's imports will be balanced by her exports; and Canada should be up and doing, and should seize every opportunity to bring into balance our account with the United States. It is only common sense on the part of the United States to try and do what it can to balance its trade with the world. Normal trade is carried on by individual traders.

If two farmers live side by side, one raising beef cattle and the other coarse grains, they can do a profitable business together as long as their trade balances. We shall say that the farmer who raises coarse grains supplies feed to the farmer who raises beef cattle. All will be fine as long as the coarse-grain farmer takes back enough beef cattle, directly or indirectly, to pay for the feed grain; but trouble will begin as soon as he loses interest in the beef market and endeavours to put the beef cattle farmer in debt. He will soon be taking a mortgage

or a bill of sale, and he will lose a customer as the debt grows. The traders of the world are the farmers, fishermen, lumbermen, miners, manufacturers and so on, or those who act for them.

Honourable senators, I spoke earlier of the Commonwealth being the greatest potential trading unit of the globe, and stated that other parts of the Commonwealth are looking to Canada for leadership in this time of trade crisis. Well, I do not know of a time in the last thirty years when trade within the Commonwealth has been so helplessly disorganized. More than ever in our history we have the goods, or real wealth. If the British Commonwealth had suddenly been turned into a Sahara desert we would have had a real excuse for a trade crisis, but a wise Creator has been most kind to us. We can produce all kinds of real wealth, but we cannot distribute it properly among ourselves. The other great trading territorial units of the world are the United States and Soviet Russia. What would you think of the State of Texas not being able to ship goods to New York because that city has the wrong kind of money; or the State of Georgia in Russia not being able to ship commodities to Moscow because of exchange difficulties? Such a condition would be fantastic and unheard of; but we in the British Commonwealth are unable to exchange our goods just because we are bedevilled with many different kinds of money. It reminds one of the Tower of Babel; instead of being cursed with a multiplicity of different languages, our downfall is caused by a score or more of different mediums of exchange, few of which are interchangeable. I know that many former large customers of this country in other parts of the Commonwealth, although they are rated by Dun and Bradstreet's in the millions, cannot today buy a $10 case of fish here.

In these circumstances how is the Commonwealth going to compete with other great trading nations? This is a time when Canada can give leadership in helping to straighten out this trade mess. There are many experienced members in this honourable body who could give a helping hand if called upon—

Hon. Mr. Duff: We are never asked.

Hon. Mr. McLean: —That is right. We are seldom, if ever, asked to do so. Many of our powers have been handed over to various boards—theoretical experts who, whether they have had trade experience or not, are doing a lot of our thinking for us in these all-important trade matters. Until the system is changed, I suppose we shall have to abide by their decisions, whether they involve a step in the dark or not.

Honourable senators, I thank you for having had the patience to listen to me for so long. I have simply tried to place on the record the benefit of any experience I may have had during the last thirty years in dealing in the foreign markets of the world.

Some Hon. Senators: Hear, hear.

Hon. Mr. Beaubien: Honourable senators, in the unavoidable absence of the honourable senator from Churchill (Hon. Mr. Crerar), on his behalf I move the adjournment of the debate.

The motion was agreed to.

DIVORCE BILLS

FIRST READINGS

Hon. Mr. Horner (for Hon. Mr. Aseltine, Chairman of the Standing Committee on Divorce) presented the following bills:

Bill O-1, an Act for the relief of Joseph Charles Paul Emile Chales.

Bill P-1, an Act for the relief of Robert Mason Watson.

Bill Q-1, an Act for the relief of Catherine Alexandra Mackenzie Mitchell.

Bill R-1, an Act for the relief of Irene Filion Primeau.

Bill S-1, an Act for the relief of Mary Jean Strachan Taylor.

Bill T-1, an Act for the relief of Edna Kate Folley Dickenson.

Bill U-1, an Act for the relief of Gerald Geoffrey Racine.

Bill V-1, an Act for the relief of Yvonne Marshall Balfry Corbin.

Bill W-1, an Act for the relief of Colleen Ethel Thornhill Clark.

Bill X-1, an Act for the relief of Leith Albert Anderson Baldwin.

Bill Y-1, an Act for the relief of Marie Jeanne Martin.

Bill Z-1, an Act for the relief of Irene Emily Katerelos Stones.

The bills were read the first time.

SECOND READINGS

Hon. Mr. Horner: Honourable senators, with leave, I move that these bills be now read the second time.

The motion was agreed to, and the bills were read the second time, on division.

THIRD READINGS

Hon. Mr. Horner: With leave of the Senate, I move the third reading of these bills.

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

The Senate adjourned until Monday, October 17, at 8 p.m.

THE SENATE

Monday, October 17, 1949

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

Prayers and routine proceedings.

SUPREME COURT BILL

FIRST READING

A message was received from the House of Commons with Bill 2, an Act to amend the Supreme Court 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, tomorrow.

TARIFFS AND TRADE

DOCUMENTS TABLED

Hon. Wishart McL. Robertson: Honourable senators, I beg to lay on the table certain documents. I shall not read the list unless requested to do so, because it will appear in the Minutes of the Proceedings of the Senate. I would point out, however, that the list includes such important documents as the General Agreement on Tariffs and Trade of October 30, 1947, as amended by protocols signed at Havana, March 24, 1948, and at Geneva, September 14, 1948, and related documents (Treaty Series 1948, No. 31). There are also other documents of like nature, in which honourable senators may be interested. There is no automatic distribution of these documents, but any of them are available upon request.

LIVESTOCK PEDIGREE BILL

FIRST READING

Hon. Mr. Robertson presented Bill A-2, an Act respecting the incorporation of Pure-Bred Live Stock Record Associations.

The bill was read the first time.

BRITISH NORTH AMERICA ACT AMENDMENT

ADDRESS TO HIS MAJESTY

On the Motion:

That an humble address be presented to His Majesty the King in the following words:

To the King's Most Excellent Majesty:

Most Gracious Sovereign:

We, Your Majesty's most dutiful and loyal subjects, the Senate of Canada in parliament assembled, humbly approach Your Majesty, praying that You may graciously be pleased to cause a measure to be laid before the Parliament of the United Kingdom to be expressed as follows:

An Act to amend the British North America Act, 1867, relating to the amendment of the Constitution of Canada

Whereas the Senate and Commons of Canada in Parliament assembled have submitted an Address to His Majesty praying that His Majesty may graciously be pleased to cause a measure to be laid before the Parliament of the United Kingdom for the enactment of the provisions hereinafter set forth:

Be it therefore enacted by the King's Most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:

1. Section ninety-one of the British North America Act, 1867, is amended by renumbering Class 1 thereof as Class 1A and by inserting therein immediately before that Class the following as Class 1:

"1. The amendment from time to time of the constitution of Canada, except as regards matters coming within the classes of subjects by this Act assigned exclusively to the Legislatures of the Provinces, or as regards rights or privileges by this or any other constitutional Act granted or secured to the Legislature or the Government of a Province, or to any class of persons with respect to schools or as regards the use of the English or the French language."

2. This Act may be cited as the British North America Act, 1949 (No. 2), and the British North America Acts, 1867-1949, and this Act may be cited together as the British North America Acts, 1867-1949 (No. 2).

Hon. Mr. Robertson: Stand.

Hon. Mr. Haig: Honourable members, before the motion stands I wish to ask the leader of the government (Hon. Mr. Robertson) if he would lay on the table of this house the letter written by the Prime Minister to the provincial premiers and the replies received. I happen to know that this correspondence was laid on the table of the House of Commons this afternoon and will be printed as an appendix to today's *Hansard* of that house. I can read the correspondence there, but I think we ought to have it in our own records.

Hon. Mr. Robertson: I undertake to secure the information asked for by the leader of the opposition (Hon. Mr. Haig).

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Tuesday, October 18, 1949

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 Standing Committee on Divorce) presented the following bills:

Bill B-2, an Act for the relief of Margaret Helen Milne Ward.

Bill C-2, an Act for the relief of Lizzie Brogden Hibberd.

Bill D-2, an Act for the relief of Eric Jeffery Burn.

Bill E-2, an Act for the relief of Agnes McIntosh McKillop McBride.

Bill F-2, an Act for the relief of Elizabeth Audrey Beauclerk Quinlan.

Bill G-2, an Act for the relief of Thelma Blanche Collins Geick.

Bill H-2, an Act for the relief of Thora Beckingham Lock.

Bill I-2, an Act for the relief of Hugh Willliam Lloyd.

Bill J-2, an Act for the relief of Linda Emilia Wilen Robitaille.

Bill K-2, an Act for the relief of Brina Paskin Warshaw.

Bill L-2, an Act for the relief of Thomas Hanusiak.

Bill M-2, an Act for the relief of Loretta Waugh O'Dell.

Bill N-2, an Act for the relief of Marie Rita Plante Boyer.

Bill O-2, an Act for the relief of Dorothy Waxman Sherman.

Bill P-2, an Act for the relief of Laura Cohen Kaminsky.

Bill Q-2, an Act for the relief of Annie Marion Lesnichuk Krushelniski, otherwise known as Annie Marion Lesnichuk Krush.

Bill R-2, an Act for the relief of Marjorie May Smart Birmingham.

Bill S-2, an Act for the relief of Anna Sandberg Goldbloom, otherwise known as Anna Sandberg Gold.

Bill T-2, an Act for the relief of Olive Frances Harper Morrison.

Bill U-2, an Act for the relief of Delphis Brousseau.

Bill V-2, an Act for the relief of Gladys McCarrick Bonnemer.

Bill W-2, an Act for the relief of Bernice Beverly Corry Cohen.

Bill X-2, and Act for the relief of Bessie Zinman.

The bills were read the first time.

The Honourable the Speaker: When shall these bills be read the second time?

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

BRITISH NORTH AMERICA ACT AMENDMENT

CORRESPONDENCE TABLED

Hon. Mr. Robertson: Honourable members, I beg to lay on the table copies of correspondence between the Prime Minister of Canada and the premiers of the various provinces with respect to amending the British North America Act so that the constitution of Canada may be amended by the Parliament of Canada. These copies are in English and French. I now move, with the unanimous consent of the Senate, that this correspondence be printed as an appendix to the Debates of the Senate.

The motion was agreed to.

(See Appendix at end of today's report.)

SUPREME COURT BILL

SECOND READING

Hon. Wishart McL. Robertson moved the second reading of Bill 2, an Act to amend the Supreme Court Act.

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

Hon. A. K. Hugessen: Honourable senators, I feel that a considerable weight of responsibility rests upon my shoulders in attempting to explain this bill to the house, because of the very important principle which it involves. Its name is "An Act to amend the Supreme Court Act", but it covers a good deal more ground than its title would lead one to believe. The basic proposal of the bill before us is to abolish appeals in civil cases from our Canadian Courts to the Judicial Committee of the Privy Council in London, and to make of our Supreme Court of Canada a supreme court in fact as well as in name. Incidental to that basic principle the bill proposes certain structural alterations in the composition of the Supreme Court —an increase of its members by two—and various consequential changes in the Supreme Court Act.

I intend to confine my remarks this afternoon to the consideration of the principle

which I mentioned a moment ago, leaving the details of the bill to be considered in committee in the careful way in which this chamber always considers measures of this kind.

I have said that the purpose of the bill is to abolish appeals in civil cases to the Judicial Committee of the Privy Council. I should perhaps remind honourable senators that appeals in criminal cases were abolished some years ago, and that the right of this parliament to abolish criminal appeals was finally decided by the Privy Council in the judgment which it gave in the British Coal Corporation case in 1935.

May I begin with a brief and necessarily sketchy historical review of the subject? From time immemorial it has been the recognized right of British subjects, as a final resort, to appeal to the Sovereign for justice; and the Sovereign has accorded justice in the exercise of the Royal prerogative. That right has extended to British subjects resident in the colonies, as those colonies were established in different parts of the world. In the old days this right was exercised, I understand, through the governors of the colonies concerned.

In the year 1833 the British Parliament, of which my grandfather was a member, enacted a statute regulating the manner in which such appeals to the Crown should be dealt with, and provided that they be heard by a judicial committee of the Privy Council, to advise the Crown as to how the cases which came before it should be disposed of. The title of the body is, as I said, the Judicial Committee of the Privy Council; but for purposes of brevity, during the remainder of my remarks I shall simply refer to it by its ordinary name, the Privy Council.

As all members of this chamber who are lawyers know, the Judicial Committee does not render judgments; its function is to advise the Sovereign. All the decisions of the Privy Council end with these words: "Their Lordships will therefore humbly advise His Majesty accordingly." That was the position when the British North America Act was enacted by the British Parliament in 1867. By section 129 of the Act all the courts in existence in the various provinces at confederation continued to function as before, and the right of appeal from those courts to the Privy Council, where it existed, remained unaffected. Section 101 of the British North America Act authorized the Parliament of Canada, as and when it might see fit, to set up a general court of appeal for Canada. This is the wording of section 101:

> The Parliament of Canada may, notwithstanding anything in this Act, from time to time provide for the constitution, maintenance and organization of a general court of appeal for Canada, and for the establishment of any additional courts for the better administration of the laws of Canada.

Now, the setting up of the Supreme Court under this section in the few years immediately following Confederation appears to have been attended with considerable difficulty. In the year 1870 the administration of Sir John A. Macdonald introduced a bill to create a supreme court; but the bill was withdrawn. Again in the year 1871 a bill to constitute a supreme court was introduced, but was again withdrawn. Finally, in the session of 1875, the Mackenzie government introduced a similar bill. That bill was submitted to the House of Commons by the Honourable Mr. Fournier, at that time Minister of Justice in the Mackenzie administration. As originally introduced, that bill made no reference to appeals to the Privy Council. But in the course of the discussion in the other chamber, the Minister of Justice invited the house to express its opinion as to whether the bill should not contain a clause making the decisions of the new Supreme Court final, and abolishing appeals to the Privy Council. Following upon that suggestion, the insertion of a new clause in the bill for that purpose was moved by Mr. Irving, the member for Hamilton, and upon a vote of 112 to 40 that clause was inserted in the bill. The text of that new section, which was section 47 of the Supreme Court Bill, is this:

> 47. The judgment of the Supreme Court shall in all cases be final and conclusive, and no appeal shall be brought from any judgment or order of the Supreme Court to any Court of Appeal established by the Parliament of Great Britain and Ireland, by which appeals or petitions to Her Majesty in Council may be ordered to be heard: saving any right which Her Majesty may be graciously pleased to exercise by virtue of Her Royal Prerogative.

It is abundantly clear from the discussions on this bill in the other house that the members thought that by inserting section 47 in the bill they were effectually abolishing appeals to the Privy Council. It was in that form that the bill came to the Senate.

I have looked up the Debates of the Senate for 1875, and with the permission of honourable senators I propose to take a few minutes to describe the proceedings on the bill in this chamber. As was the case in the House of Commons, it was manifestly clear that the Senate believed that appeals to the Privy Council were being abolished, and indeed much of the discussion ranged around that very subject. It is also clear from the discussions that this house believed that one of the principal functions of the new Supreme Court would be finally to adjudicate on constitutional disputes, which even at that day were arising between the dominion and the

provinces as to their respective powers of legislation under sections 91 and 92 of the British North America Act.

I should like to refer in detail to the report of the Senate Debates of 1875, and I would remind honourable senators that in those days the speeches for the most part were not reported verbatim as they are today. However, the substance of what the speakers said was given in the third person.

The second reading of the bill was moved on April 5, 1875, by the Honourable Mr. Letellier de St. Just, Minister of Agriculture in the Mackenzie government, and afterwards Lieutenant-Governor of the province of Quebec. Mr. Letellier started out by referring to the constitution of the new court which, he said, was to consist of six judges, two of whom would be members of the Bar of the province of Quebec. He then immediately proceeded to consider the question of the abolition of appeals to the Privy Council. He supported this on a ground which is novel to me, but which I am sure will interest honourable senators from the province of Quebec. He said:

> They had found with Her Majesty's Privy Council much learning, ability, and a strong desire to determine justly the cases from Lower Canada and the rest of this country, but though these honourable judges were well versed in English statutory law and in French law, they exercised a certain discrimination in the application of the French law in cases from Lower Canada, because, since the adoption of the Code Napoleon, many of the laws of France differed from the *Coutume de Paris* observed in Quebec. The English judges learned in the present and recent French law, but not in the *Coutume*, had not been able to make the necessary distinction, or apply the *Coutume*, in many instances desirable in cases from Lower Canada. In many instances errors had resulted. The two Quebec judges would be associated with gentlemen versed in English and Canadian law, and better acquainted with the manner of its interpretation than members of the Privy Council could be. Without derogating from this respected tribunal, the Canadian court would offer more security to us, afford greater facilities for the settlement of appeals, and prove far less expensive to suitors.

The next speaker was the Honourable Mr. Campbell, from Ontario. He gave a very balanced and impartial speech, and said that although he fully appreciated that a young country like Canada should wish to establish a final Court of Appeal of its own, for his part, as an old man he would prefer to remain with the system with which he had grown up—that of allowing appeals to the judges in England. I rather wonder whether the honourable senator from Toronto who bears the same name, and who succeeds the honourable senator of 1875, would express the same opinion today. The Honourable Mr. Trudel and the Honourable Mr. Allan questioned whether the Dominion Parliament had the constitutional right to abolish appeals to the Privy Council. As an alternative to the Supreme Court, Mr. Trudel made a suggestion which at least had the merit of novelty. This is what he suggested:

> For his part he thought this Senate itself should be the highest court of appeal for the people of the dominion, just as the English House of Lords was the highest tribunal in the British Empire. He saw nothing in our constitution which would prevent the government from naming seven or eight members of this Senate as a Judicial Committee which might be vested with appellate jurisdiction.

The Honourable Mr. Bureau, from Quebec, said that on the whole he would prefer to trust the rights of French Canadians to the proposed Supreme Court rather than to the Privy Council. The Honourable Mr. Scott, from Ontario, remarked that as there had been only one appeal from that province to the Privy Council in six years, the deprivation of the right of appeal to that body could not be a very serious matter. The bill was read a second time, without a division, and was referred to the Committee of the Whole for the following day, and on April 6 the bill was considered in the Committee of the Whole, the report of that stage being very sketchy indeed.

The real discussion came upon the motion for third reading. At that time the Senate really came to grips with the question of the abolition of appeals to the Privy Council. On the motion for third reading a number of amendments were moved. The first amendment was that the bill be read "this day three months". This was defeated by a vote of thirty-one to twenty-seven. The second amendment was that clause 47—that is the clause which I have been mentioning, for the abolition of appeals to the Privy Council—be struck out of the bill. The Senate vote on that motion resulted in a tie, twenty-nine senators voting in favour and twenty-nine senators voting against. The motion was therefore lost, and clause 47 remained in the bill. There were several other amendments, all of which were defeated, and the bill finally received third reading without amendment.

It is interesting and indeed rather amusing to read the arguments for and against that were advanced on this matter in the Senate of 1875; the same arguments almost word for word as used in the discussion today. Let me give an example. On the one side there was the argument that this country should not deprive itself of the right to go to the extremely high judicial authorities in Great Britain. There was also what they called the sentimental argument, what one honourable senator referred to as "the breaking of the silken tie" which bound Canada to Great Britain. On the other side there

were such arguments as these: The Honourable Mr. Letellier de St. Just said that "If this country was not able to find among its own men those qualified to be the judges in the last resort on cases affecting our civil rights, we would have reason to despair of our country", and the Honourable Mr. Scott, from Ontario, remarked that "the people of Ontario were almost unanimously against appeal to England, as being altogether unnecessary". He said "they felt that the judges we were likely to have on that tribunal would be quite as equal in point of ability, to give intelligent expression to our laws, as the judges in England. Her Majesty was quite as much represented on the judiciary of this country as on the Supreme Court in the city of London".

Over the intervening span of years I salute those wise words from Mr. Letellier de St. Just, of Quebec, and from Mr. Scott of Ontario. I can only hope that some day in the distant future I may be dealt with as I have today dealt with them, and that perhaps, let us say, in the year 2025, some honourable senator, rising in his place in this chamber, may quote from the Senate debates of 1949, some pearl of wisdom from the remarks of the former senator from Inkerman.

Some Hon. Senators: Hear, hear.

Hon. Mr. Hugessen: As I said, the parliament of 1875 fully believed that it had abolished appeals to the Privy Council, though I must say that it was somewhat doubtful until the Statute of Westminster of 1931 whether our parliament had power to abolish those appeals.

When the Act was sent over to England for royal sanction, great exception was taken to section 47 by the Lord Chancellor and the legal advisers of the Crown, and also by Lord Carnarvon, who at that time was Colonial Secretary in the Conservative administration of Mr. Disraeli. Lord Carnarvon threatened that unless section 47 was removed, the bill would be disallowed in its entirety. There ensued some acrimonious correspondence between him and Mr. Edward Blake, who by that time had succeeded Mr. Fournier as Minister of Justice in the Canadian cabinet. One of the arguments advanced by Lord Carnarvon sounds rather peculiarly to our ears today. He said that a large number of English people had invested important sums of money in Canada, and that for the protection of those investments they should have the right of final appeal to the court in England. To that argument Mr. Blake replied, very properly, that this was casting an unwarranted reflection upon the honesty of Canadian judges.

The matter was finally settled in this way. It was discovered that there was a flaw in section 47. It will be remembered that that section, as I read it to the house, says that there shall be no appeal from the Supreme Court of Canada to "any court of appeal established by the Parliament of Great Britain."

The Judicial Committee of the Privy Council is not a court of appeal; it is a body of men appointed by the Crown to advise the Crown on matters of law; it is not a court of law but a court of prerogative. Section 47 therefore did not apply. The situation was saved for English investors in Canada, and appeals to the Privy Council continued as before.

Section 47 still remains in our statutes. It is now section 54 of our Supreme Court Act, and it stands as a melancholy monument to an attempt by this parliament in 1875 which failed of its purpose. I cannot refrain from expressing the view that it would have been far better in every way if section 47 had become effective and if our Supreme Court had been from the very beginning the final court of appeal for Canada.

Hon. Mr. Euler: Hear, hear.

Hon. Mr. Hugessen: What this house is doing today is taking up the consideration of this matter where it was left off on the 6th of April, 1875. If honourable senators will look at the bill now before them they will see that its principal purpose is to amend section 54—formerly section 47—of the Supreme Court Act in such a way as to make it abundantly clear that any kind of appeal from Canada to any court of England is now abolished.

Now let me come to the more recent history of this matter. It involves a leap of more than sixty years, and brings us to the year 1938. With that period the name of one man is inextricably associated. That man was the late C. H. Cahan. As many honourable senators know, Mr. Cahan was a very distinguished lawyer. He had practiced both before the Bar of his native province of Nova Scotia and the Bar of Quebec; he had been elected Conservative member of parliament from the St. Lawrence-St. George division of Montreal in 1925, and from 1930 to 1935 was Secretary of State in the Conservative administration headed by Mr. Bennett. In the year 1938 Mr. Cahan was an old man. In his young days at Halifax, in his native province, he had known the Fathers of Confederation from that province.

May I be allowed to interject a personal note here? At the general election of 1935 I was a candidate against Mr. Cahan for the House of Commons constituency of St.

Lawrence-St. George. I think I gave him a good fight—in any event I succeeded in considerably reducing his majority—but the electors returned him. I think they felt that here was an old man who had done considerable work for his country and deserved well of his fellow Canadians and was therefore entitled to another term in the House of Commons. And viewing the matter at this period, and after the lapse of these years, I cannot find it in my heart to say that they were wrong.

In the session of 1938 Mr. Cahan introduced in the House of Commons a bill to abolish appeals to the Privy Council. It was of course a private member's bill—he being a member of the opposition—and it did not get very far; but upon the motion for second reading there was a most interesting discussion, to which I want to refer in more detail a little later on. The then Minister of Justice, Mr. Lapointe, expressed strong approval of the bill, but he voiced some slight doubt as to the power of the federal parliament to enact legislation abolishing appeals to the Privy Council. The same doubt, honourable senators will recall, had been expressed in the debate in this chamber in 1875.

At the following session, in 1939, Mr. Cahan again introduced a bill for the same purpose, in slightly modified form. In the debate on second reading Mr. Lapointe announced that the government had decided to submit the question to the Supreme Court for its opinion. The bill was then dropped, awaiting the Supreme Court's decision. The question was duly submitted to the court, which in 1940 gave judgment that the Parliament of Canada had the constitutional power to enact this legislation. That judgment was appealed to the Privy Council, but on account of the war the hearing by the Privy Council was delayed. Finally, in January 1947, the Privy Council gave its decision, upholding the judgment of the Supreme Court. So, in considering the bill now before them, honourable senators can rest perfectly satisfied that it is within the competence of the Parliament of Canada to enact this legislation.

To carry the story a little further: In the sessions of 1947 and 1948 this matter was again discussed in another place upon a motion introduced by one of the members from Saskatchewan. Early in the present year a bill similar to this one was printed and circulated, but was not proceeded with owing to the dissolution of parliament. The bill now before us is its successor.

Honourable senators, I have spent some time sketching the previous history of this matter, partly because of its intrinsic interest, partly because it seems to me to form a necessary background for the discussion of the problem now before us, and partly also because it throws an interesting and, I suggest, rather amusing light on the argument which we hear today that this bill should not now be proceeded with, that the public is not ready for it, and that there should be a further delay. Well, good heavens! how much more delay do we want? As I have said, all the arguments for and against were made use of in the parliament of 1875. The question has been actively before the public mind since 1938. A bill similar in all respects to the bill now before us was introduced by the present government last February. It was known and was proclaimed to be a matter of government policy. In the general election of last June that government was returned to office by the largest majority in the history of this country. In the light of these facts, I say that the argument for further delay is not only specious but absurd on its very face.

Let me refer as briefly as I can to the debate on the second reading of the Cahan bill in the House of Commons in 1938. The discussion centred very largely on the constitutional decisions given by the Privy Council over a long period of years, and the effect of those decisions on the respective rights and powers of the dominion and the provinces as laid down in sections 91 and 92 of the British North America Act. Mr. Cahan made a most powerful speech—a speech which, I suggest, would repay re-reading today. He claimed that the Privy Council, in a series of decisions over a long period, had so whittled away and cut down the powers which the fathers of confederation had intended to confer, and had indeed conferred, upon the Dominion parliament, as to leave us with a constitution in which the division of powers between the federal and provincial authorities was completely different from that which had been agreed upon in 1867. He charged that the Privy Council had done this deliberately and as a matter of policy.

The real nub and core of his complaint against the Privy Council was that it had not, as it should have done, confined itself as a court of law to the interpretation of the British North America Act as it found it; rather, it had deliberately modified that Act to suit what it thought the proper division of powers between dominion and provinces ought to be. In other words, it had acted not as a court, but as a legislature for Canada.

In the debate that followed, the then member for Selkirk, Mr. Thorson—now Mr. Justice Thorson, President of the Exchequer Court—from the Liberal benches strongly supported the Cahan bill. He repeated the charge that

the Privy Council had gone beyond its powers as a court, and under the guise of interpreting the principles of the British North America Act had, in fact, altered that Act and frustrated the intention of the fathers of confederation.

I think I ought to remind the Senate that in the following year, 1939, the former Law Clerk and Parliamentary Counsel of this house, Mr. W. F. O'Connor, K.C., pursuant to a resolution of this house, made a report to the Senate on the whole subject. That report, which was printed and circulated to all honourable senators at that time, is entitled thus: "Report, Pursuant to the resolution of the Senate, to the honourable the Speaker by The Parliamentary Counsel, relating to the enactment of the British North America Act, 1867, any lack of consonance between its terms and judicial construction of them and cognate matters". That was a very detailed and voluminous report. The important point about it is that in that report the former Parliamentary Counsel of this body reached exactly the same conclusion as had been reached by Mr. Cahan and by the present Judge Thorson. May I quote just one short paragraph from page 13 of the report? The Parliamentary Counsel is of course discussing the British North America Act, and this is what he says:

> For over twenty years the legislative machinery of the Act worked well. Then it began to experience judicial disinclination to apply its precise terms. Ultimately, in 1896 it was repealed by judicial legislation and different legislative machinery was substituted. In these circumstances I think that not amendment of the Act, but enforced observance of its terms is the proper remedy.

The parliamentary counsel to the Senate leaves no doubt at all as to whom he is referring when he talks about "judicial legislation". He is pointing the finger at the Privy Council, and he places the responsibility squarely upon Lord Watson, a well-known member of the Privy Council, starting with a judgment which that noble lord delivered on behalf of the Judicial Committee in the Prohibition case in 1896.

These statements of Mr. Cahan, Mr. Justice Thorson and the Law Clerk do not stand alone. They are confirmed from a rather surprising source—from within the Judicial Committee itself. Honourable senators have all heard of Lord Haldane. He was perhaps one of the best known judges ever to sit in the Privy Council. A former Lord Chancellor, he sat with the Privy Council from 1910 for nearly twenty years. He is perhaps best remembered in this country for his decision in the Snyder case in 1925, holding that the Industrial Disputes Investigation Act for the peaceful settlement of industrial disputes—commonly known as the Lemieux Act, which has been in successful operation since 1907—was ultra vires of the Dominion Parliament. In 1899 Lord Haldane, at that time still Mr. Haldane, Q.C., wrote an article for an English law journal. In that article, which subsequently received considerable notoriety, he was writing about Lord Watson, his predecessor, whom I mentioned a few minutes ago. He discussed at some length Lord Watson's numerous judgments interpreting the British North America Act. What Lord Haldane had to say about Lord Watson is so important that I crave the indulgence of the Senate while I quote a few paragraphs from it. This is what he says:

> Lord Watson was an imperial judge of the first order. The function of such a judge, sitting in the supreme tribunal of the empire, is to do more than decide what abstract and familiar legal conceptions should be applied to particular cases. His function is to be a statesman as well as a jurist, to fill in the gaps which parliament has deliberately left in the skeleton constitutions and laws that it has provided for the British colonies. The imperial legislature has taken the view that these constitutions and laws must, if they are to be acceptable, be in a large measure unwritten, elastic, and capable of being silently developed and even altered as the colony develops and alters. This imposes a task of immense importance and difficulty upon the privy council judges, and it was this task which Lord Watson had to face when some fifteen years ago he found himself face to face with what threatened to be a critical period in the history of Canada.

What "critical period" Lord Haldane is referring to I am unaware of.

He goes on:

> Two views were being contended for. The one was that, excepting in such cases as were specially provided for, a general principle ought to be recognized which would tend to make the government at Ottawa paramount, and the governments of the provinces subordinate. The other was that of federalism through and through, in executive as well as legislative concerns, whenever the contrary had not been expressly said by the imperial parliament.
>
> The provincial governments naturally pressed this latter view very strongly. The supreme court of Canada, however, which had been established under the Confederation Act, and was originally intended by all parties to be the practically final court of appeal for Canada, took the other view. Great unrest was the result, followed by a series of appeals to the privy council, which it was discovered still had power to give special leave for them.

Now I suggest that when he talks about "great unrest in Canada" Lord Haldane is calling upon a very vivid imagination.

Then he goes on thus:

> Lord Watson made the business of laying down the new law, that was necessary, his own. He completely altered the tendency of the decisions of the supreme court, and established in the first place the sovereignty (subject to the power to interfere of the imperial parliament alone) of the legislatures of Ontario, Quebec and the other provinces. He then worked out as a principle the direct relation, in point of exercise of the prerogative, of the lieutenant-governors to the crown. In a series of masterly judgments he expounded and established the real constitution of Canada.

Now, honourable senators, what does this quotation mean? Lord Haldane is telling us quite clearly that Lord Watson reinterpreted the British North America Act to suit his own ideas of what conditions in Canada happened to require at the time; and Lord Haldane not only tells us that, but he speaks of it as an admirable and meritorious performance by Lord Watson. There is indeed little reason to doubt that Lord Haldane, in his own decisions in the Privy Council interpreting the British North America Act, followed the same practice which he had found so admirable in Lord Watson.

Now if this is so, we are faced with this situation. At the present time the court of final resort by which questions of interpretation of the British North America Act are ultimately decided is a body of men sitting in London, England, who claim the right to reinterpret and, in effect, to revise our constitution in the light of what they believe conditions in Canada may from time to time require. These men are no doubt actuated by the very highest of motives; but many of them have never been in Canada in their lives, they have no personal knowledge of conditions in this country, and they are in no way responsible to the people of this dominion, or to our parliament which has no voice in selecting them. I say that if that is indeed the case, it is an intolerable condition of affairs, and the sooner it is ended the better.

Now I want to be eminently fair. I know very well that the point of view expressed by Mr. Cahan and the others whom I have mentioned, though very widely held, is not held universally. There are those who believe that the Privy Council throughout the years has interpreted the British North America Act strictly as it ought to be interpreted. But whatever view one may happen to hold, is there not this much common ground between us? Mr. Cahan may have been wrong, Judge Thorson may have been wrong, our parliamentary counsel may have been wrong, Lord Haldane may have been sadly misunderstood in the quotation that I read a few moments ago; nevertheless is it not unavoidable, is it not inherent in a situation where you have a court in one country charged with the duty of interpreting the highly contentious provisions of the constitution of another country thousands of miles away, that doubt and suspicion and recrimination are bound to arise? That these doubts, these recriminations and these suspicions do exist, it would be idle to deny. So far from being a link between Canada and Great Britain, as some assert, the Privy Council has in my view become a sore spot and a source of dissatisfaction. I blame no individual. No individual can be blamed. It is the system itself that is at fault. On that I think we can all reach common ground of agreement. It is this defective system that the bill now before us seeks to remove.

Now I want to refer in some little detail to one special case which illustrates a little further the tendency of the Privy Council to legislate for Canada: a case first heard by the Supreme Court and then by the Privy Council. I think that when closely examined it illustrates very clearly the disadvantages and even the dangers of the present system. It is a case of particular interest to the Senate, because it has affected the membership of this body. I refer to the case of the admission of women to membership of the Senate. I refer to it also for another reason, because it was mentioned by the honourable lady from Peterborough (Hon. Mrs. Fallis) in her speech on the Address in this house a few weeks ago.

At the outset, of course, I need hardly say that I do not question, nor is anybody in this house questioning, the advisability of having women in the Senate.

Hon. Mr. McLennan: I am.

Hon. Mr. Hugessen: The two honourable ladies who serve in this body now are among our most distinguished and hard-working members, and my only complaint is that there are not more of them.

In the year 1928 the government of the day submitted to the Supreme Court the question whether women were eligible to be summoned to the Senate under the relevant provisions of the British North America Act. Those sections are 23 and 24, extracts of which I will quote.

23. The qualifications of a Senator shall be as follows:

(1) He shall be of the full age of thirty years;

(2) He shall be either a natural-born subject of the Queen, or a subject . . . naturalized . . .;

(3) He shall be legally or equitably seised as of freehold for his own use and benefit of lands . . . of the value of four thousand dollars, over and above all . . . incumbrances . . .;

(4) His real and personal property shall be together worth four thousand dollars over and above his debts and liabilities;

(5) He shall be resident in the province for which he is appointed;

(6) In the case of Quebec he shall have his real property qualification in the . . .

district that he represents.

24. The Governor General shall from time to time, in the Queen's name, by instrument under the Great Seal of Canada, summon qualified persons to the Senate; and, subject to the provisions of this Act, every person so summoned shall become and be a Member of the Senate and a Senator.

Now the question that was submitted for the Supreme Court was whether, under section 24 of that Act, women were qualified persons for admission to the Senate. The court was a very strong one, consisting of Chief Justice Anglin and Justices Duff, Mignault, Lamont and Smith. It decided unanimously in the negative. In a powerful judgment Chief Justice Anglin gave the court's reasons for its decision. He said that by no conceivable stretch of the imagination could the Fathers of Confederation—when they inserted the words "qualified persons" in section 24; or the British Parliament when it enacted the Act—have been supposed to include women in the category of qualified persons.

Hon. Mrs. Fallis: Why not?

Hon. Mr. Hugessen: He pointed out that in 1867 women were debarred by the Common Law of England from holding any public office, even down to that of church warden. Not only could they not sit in parliament, but they were not entitled to vote for members of parliament. In fact, in those days many men were deprived of the right to vote. The right to vote was considered to be an attribute of property. The Chief Justice pointed out that a married woman at that time could not conceivably fulfil the property requirement of section 23, because, prior to the enactment of the Married Women's Property Act, a woman's property fell into the control of her husband upon her marriage. He said finally, and it seems to me to be the strongest argument of all, that if the Fathers of Confederation had intended to make so radical, so unknown a departure from a precedent as to admit women to membership of the Senate, they would have done it in a far different way than by merely inserting two equivocal words in section 24. Honourable senators, as I have said, the decision of this strong Supreme Court was unanimous, and I have no hesitation in asserting that as a matter of law, and considered solely as a matter of strict interpretation of the British North America Act, the Supreme Court decision was absolutely right.

The case then went to the Privy Council, and in 1930 the Privy Council reversed the decision of the Supreme Court. Here again I have no hesitation in saying that the decision of the Privy Council was a political decision, actuated by political motives. I use the word "political" in its broadest sense. One can only assume that following the precedent set by Lord Watson and by Lord Haldane, the Privy Council did not feel itself bound to a strict interpretation of the British North America Act. One can only assume that the Privy Council decided—correctly as it turned out—that public opinion in Canada would welcome the admission of women to the Senate, and was determined to torture the meaning of the British North America Act to achieve that end. In other words, the Privy Council made a guess and it turned out very happily that their guess was right. I would suggest, however, that on other occasions they might not guess quite so fortunately. Though we all applaud the result, I say that the method by which that result was achieved was most improper. That is no way to amend the constitution of Canada.

There is a right and a proper way to amend the British North America Act: it is by joint address of both houses of parliament to the British Parliament, after full and open discussion in our parliament and in our press. But to have it done by the Privy Council sitting in London, which with its necessarily limited knowledge must first decide what is the public opinion of this country, and then pervert the meaning of the British North America Act to achieve the desired result, is a wrong way and an improper way.

In seeking to justify their action in reversing the unanimous decision of our Supreme Court, their lordships of the Privy Council introduced an entirely new doctrine for the interpretation of the British North America Act. It is a most interesting one, called "the doctrine of the living tree". Let me quote from the words of Lord Sankey, the Lord Chancellor, when giving the decision of the Privy Council in that case. This is what he said:

> The British North America Act planted in Canada a living tree capable of growth and expansion within its natural limits. Like all written constitutions it has been subject to development through usage and convention . . . The Privy Council, indeed, has laid down that courts of law must treat the provisions of the British North America Act by the same methods of construction and exposition which have applied to other statutes. But there are statutes and statutes. and the strict construction deemed proper in the case, for example, of a penal or taxing statute, or one passed to regulate the affairs of an English parish, would be often subversive to Parliament's real intent if applied to an Act passed to ensure the peace, order and good government of a British colony.

That is the doctrine of the living tree, and it is quite important because the very same idea was expressed in other words as late as 1947 by the present Lord Chancellor of England, Lord Jowitt, in the decision which the Privy Council gave in the case to which I referred to a few minutes ago about the abolition of appeals. Lord Jowitt said:

> To such an organic statute as the British North America Act the flexible interpretation must be given that changing circumstances require.

Honourable senators, that is very good; it is quite an attractive doctrine, and I am bound to say that it seems to be the basis upon which, say, the United States Supreme

Court construes the constitution of that country, which of course is nearly twice as old as our own. But taking Lord Jowitt's own words, the question at once arises: Who is to be the judge of changing circumstances? Perhaps I may be permitted to go back for a moment to Lord Sankey's metaphor of the living tree, and carry it a step further. If you have a tree growing in your garden, what sort of an expert do you consult? Do you consult an expert living thousands of miles away, who has never seen the tree and who knows nothing of the soil in which it grows or the climatic conditions which it will have to face? I suggest that that question answers itself. I maintain that if our constitution is to be judicially varied to suit changing circumstances in Canada, those changing circumstances must be judged in Canada and nowhere else in the whole wide world.

Some Hon. Senators: Hear, hear.

Hon. Mr. Huguessen: Honourable senators, I should now like to discuss the judgment of the Privy Council in the matter of women in the Senate from another angle, and to illustrate the disadvantage of the present system. As I have said, the Privy Council reversed the unanimous judgment of the Supreme Court, and thereby subjected our Supreme Court to a great deal of unjustified and uninformed criticism, and even derision. It would almost seem as though in giving the judgment of the Privy Council, Lord Sankey went out of his way to discredit our Supreme Court. This is what he said:

> Their lordships are of opinion that the word "persons" in Section 24 does include women, and that women are eligible to be summoned to and become members of the Senate of Canada.

Well, that is begging the question.
The question was, not whether women were persons, but whether women were qualified persons within the meaning of section 24 to be summoned to the Senate. The form in which the Privy Council gave its decision, as I say, resulted in some uninformed criticism of our Supreme Court, and I am bound to cite as an example of that uninformed criticism the remarks made by the honourable lady from Peterborough (Hon. Mrs. Fallis) a few weeks ago in the debate on the Address.

Let me ask honourable senators to place themselves in the position in which the Supreme Court found itself as a result of this decision of the Privy Council. After most careful deliberation the court had unanimoulsy decided on what it thought was the correct interpretation of certain sections of the British North America Act in a very important case. It was reversed by the Privy Council through the application by that body of a new rule of interpretation which the court had never heard of before, and as a result the court was held up to public criticism and derision in this country.

I say that placed our Supreme Court in an intolerable position. A system which allows such an intolerable position to develop, as it did less than twenty years ago, is a system that to my mind is inherently bad, and the sooner it is changed the better. We have now provided for our Supreme Court, in a physical sense, in the beautiful and dignified new building which it at present occupies, a few minutes' walk away from this chamber. I suggest it is now our duty to provide the judges of that court with the mental and psychological surroundings in which they can do their best work. That is what this bill seeks to achieve, to make of our Supreme Court a court supreme in fact as well as in name, a court possessing a dignity and authority equal to the dignity and authority of the court of highest jurisdiction in any country in the world.

Some Hon. Senators: Hear, hear.

Hon. Mr. Hugessen: Now I want to deal for a moment, and only for a moment, with the sentimental argument that was advanced in 1875, and is now advanced again today. We are told that abolition of appeals to the Privy Council will be breaking a link of empire. Well, a link is part of a chain, and a chain is apt to become galling to the wearer of it. That in my view is the position which this so-called link has reached. I have already expressed the opinion, and I now repeat it, that appeals to the Privy Council have long since ceased to be a bond of union between the two countries, and have developed into a source of bitterness, suspicion and misunderstanding which it would be best in the interest of both countries to remove.

But I want to deal with the matter on a wider basis than that. Let me ask the house: What is the real tie that binds Canada and Great Britain, or indeed that binds any member of the commonwealth to any other member of the commonwealth? I suggest that it has nothing to do with mere questions of governmental machinery or mechanical contrivances such as the use by one country of the courts of another. The real tie that binds the members of the commonwealth together is one of sentiment, of common feeling, of common beliefs, of common forms of government, of common loyalty to the Crown. And, to carry on the argument from the place where it was when this house last discussed the subject in 1875, how immensely strong those ties have since proved to be! In your lifetime and in mine, honourable senators, we have had the two greatest wars that

the world has ever seen. In each of these wars, though Britain was the first to be involved, Canada stood by Britain's side and bore her full share in the long and bitter struggle to final victory. Yes, the true nature of the tie between members of the commonwealth is a belief in the same ideals and the same aspirations. It has little—I suggest it has nothing—to do with mere mechanical processes of government such as we are discussing today. Indeed, I would be willing to go further than that. I suggest to you that the fewer of these mechanical ties that we have between members of the commonwealth the better will be the relations between them.

Hon. Mr. Roebuck: Hear, hear.

Hon. Mr. Hugessen: We have had a very striking example of that very recently in the case of India. India was for many years bound to Britain by ties which she came to regard as a badge of servitude. As Indians reached political maturity their protests became more and more vigorous and eventually reached a condition bordering on rebellion. The relations between the two countries became as bad as could be. Ultimately, less than three years ago, the British pulled up stakes and left India completely free to govern herself. You tell me that the tie of empire was broken. Yes, but what was the result? In less than three years India of her own free will has re-entered the British Commonwealth of Nations, and this very week, here in Ottawa, we are extending a hearty welcome to the premier of that great country as a sister nation of the commonwealth.

Some Hon. Senators: Hear, hear.

Hon. Mr. Hugessen: Could you find in all history a more striking example of the truth of that Bible sentence which tells us that the letter killeth but the spirit giveth life?

Now, honourable senators, I have attempted a sketch—I am afraid too long a sketch—

Hon. Mr. Roebuck: No, no.

Hon. Mr. Hugessen: —of the historical background on the basis of which I suggest the Senate should consider this bill. I have almost done, but there is one more thing which I think I ought to say. Certain of my remarks may have been taken to be critical of the attitude of the Privy Council. They may have been so, but I do not want to end on a note of that kind. We should always remember that ever since Canada became a nation we have had in the Privy Council the benefit of the experience and the wisdom of some of the greatest legal minds in Great Britain or, indeed, in the whole world. They have given of that experience and of that wisdom freely and ungrudgingly, in helping us to solve the most important legal problems that have arisen in this country, both those of a private character and those of a public and constitutional nature. That should not be forgotten. If this bill passes, Canada's long connection with the Privy Council will come to a close, and I think that when it does come to a close it would be a graceful gesture on the part of our government if in some formal way it expressed to the Privy Council the thanks of Canada for the great services which that body has rendered to us in the past.

Hon. Mr. Duff: Hear, hear.

Hon. Mr. Hugessen: It is a tribute which the Privy Council well deserves, and I venture to suggest to the leader of the government in this house that it is a tribute which this country is in honour bound to pay.

Honourable senators, as a Canadian of British origin passionately interested in the development of our country as a free, a united and a self-reliant nation, I welcome this bill. I believe it is a great step on our way towards complete nationhood, and as such I welcome it. I ask the Senate, I urge the Senate, to pass this bill and thus complete and bring to fruition the work begun by our predecessors in this parliament three-quarters of a century ago.

Some Hon. Senators: Hear, hear.

Hon. Mr. Bouffard: Honourable senators, I move adjournment of the debate.

Hon. Mr. Leger: I wish to speak.

Hon. Mr. Haig: Honourable senators, I know that the motion to adjourn a debate is not debatable, but there is just one remark I wish to make. I took the liberty of suggesting that the debate be adjourned at the conclusion of the speech by the honourable gentleman from Inkerman (Hon. Mr. Hugessen), in order that some of us who are members of a certain committee might be released to continue work that was unfinished this morning. I thank the honourable gentleman from L'Acadie (Hon. Mr. Leger) for not objecting to adjournment of the debate at this time.

The motion of Hon. Mr. Bouffard was agreed to, and the debate was adjourned.

PRIVATE BILL

SECOND READING

Hon. G. P. Campbell moved second reading of Bill N-1, an Act to incorporate the Prairie Pipe Lines Limited.

He said: Honourable senators have heard a good deal about bills of this nature, seek-

ing to incorporate companies to operate under the provisions of the Pipe Lines Act. I need not take much time to explain this bill, but I would like to indicate to honourable members something of its purposes.

Prior to the passing of the general Pipe Lines Act, the sponsors of this bill incorporated in the province of Alberta a company known as the Prairie Pipe Lines Limited. It was proposed that the company should conduct engineering studies with respect to the transmission and transportation of oil and gas from the province of Alberta, to other provinces beyond its borders and into the international field.

After the passing of the Pipe Lines Act the promoters found that they required incorporation by Act of parliament. They therefore presented a petition for incorporation to this parliament, as required, before proceeding with their application before the Board of Transport Commissioners.

The sponsors of the bill are Canadians; they have completed their engineering studies for the construction of the pipe line, and propose to transport gas across a corner of British Columbia, up to Trail, and through to the coast at a point near Seattle, and thence up to Vancouver.

The provisions of this bill are similar to those contained in like legislation passed by this house. The bill makes provision for the capitalization of the company, the establishment of the head office at Calgary, the enactment of the by-laws, the general power to construct and operate a pipe line, the power to hold land, and contains the usual conditions. It is more or less a settled form of bill with respect to undertakings of this nature.

May I take a moment to anticipate some of the questions which may arise in the minds of honourable senators, and to clarify the matter for them? The general legislation, as I say, provides that a company formed for the transmission or transportation of oil or gas by pipe lines must be incorporated by special Act of parliament. That is a condition precedent to anything that may be done by any groups of individuals or company seeking to build a pipe line.

A reference to the introduction of the Pipe Lines bill in this chamber by the Honourable Minister of Transport may be of interest to honourable senators. About that time a bill was presented to parliament asking for authority to construct a pipe line, and at the suggestion of the government it was withdrawn. The Honourable Minister of Transport, at page 258 of the Senate Debates of last session made the following statement in explaining the general Pipe Lines bill in this house:

> At the last session of parliament a bill was introduced in this chamber to incorporate Western Pipe Lines. The purpose of that bill was to incorporate a company with power to construct and operate a pipe line for the transmission of natural gas from a point near Calgary to a point near Winnipeg, and also certain other branch lines. After considerable discussion, the bill was withdrawn by its promoters. My officers held the view that to give private companies powers over oil and gas pipe lines crossing from one province into another, where no regulatory body existed to supervise the operations of such companies, would create chaos and disorder in this new and growing field. Hence, the decision to enact enabling legislation. The government has decided to recommend to parliament the enactment of a public statute of general application, regulating the transportation of natural gas and oil by means of pipe lines connecting two or more provinces, or extending beyond the limits of a province.

I refer to that statement, honourable senators, simply to indicate that the government sponsored general legislation to determine what companies shall be granted the right to construct pipe lines, the area over which the lines shall be built, the communities to be served and all other matters which may arise with respect to them.

A petition has been presented to this honourable house and referred to a committee, asking that this bill and another one to incorporate the Alberta Natural Gas Company, be not passed. Such a petition is somewhat surprising. I should have thought that the petitioners would have been satisfied to appear before the committee when it was considering this bill, and at that time make their objections, if they had any valid objections to make, as to why the company should not be incorporated. The petitioning company, which has already been formed, is known as the West Coast Transmission Company Limited. That company is incorporated but it has no rights. It is simply a promoter. It is engaged in the promotion of a gas line, like the other company now seeking incorporation. The passing of the bills incorporating other companies and containing the same objectives, will in no way interfere with any right which any existing corporation now has; nor will it in any way prejudice the position of any existing company when it comes before the Transport Board to obtain a licence to construct a pipe line.

The general legislation contained in the Pipe Lines Act is so drawn that the federal body which is vested with the power to deal with this matter has complete control over applications for leave to construct a pipe line. As soon as a company is formed it must, as a condition precedent, obtain authority from the Petroleum Natural Gas Board of Alberta to export gas. That board controls

the supply of gas in the province of Alberta, so that a company, after incorporation, must make application to the board to obtain a permit for the export of gas to another province. It must also obtain authority under the Electricity and Fluid Exportation Act, which is under the administration of the Department of Trade and Commerce.

I submit that when a petitioner comes before this honourable chamber praying for an Act to incorporate a company to engage in this particular field of activity, the Senate must consider the bona fides of the promoters, whether or not any powers which they seek are contrary to the public good, and whether there is anything sinister behind the application for the legislation. It is unlikely that similar petitions will come before this chamber, because they involve the expenditure of large sums of money for engineering studies and other matters in preparation for hearings before the Board of Transport Commissioners.

During the last session of parliament bills incorporating companies to engage in the construction of oil and gas lines were considered somewhat hurriedly, but I do not think there was any thought in the minds of honourable senators that one company should be given the exclusive right to build a line, or that only one company should be incorporated for that purpose. I submit that this is a matter which was well understood at that time and is fully appreciated now, and that we are simply providing a means of incorporation, as required by law, for a company which wishes to build a pipe line.

A good deal of information about the promoters of this pipe line, the financial set-up and so forth, will be available to honourable senators when the bill is before the appropriate committee.

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

REFERRED TO COMMITTEE

Hon. Mr. Campbell: Honourable senators, I move that this bill be referred to the Standing Committee on Transport and Communications.

The motion was agreed to.

BUSINESS OF THE SENATE

On the Motion to Adjourn:

Hon. Mr. Robertson: Honourable senators, before we adjourn, I would inform the house that I hope to proceed tomorrow afternoon with the debate on the motion for second reading of Bill 2, an Act to amend the Supreme Court Act. It is desired that we devote as much time as possible to that measure until the debate has been concluded.

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX

B.N.A. Act—Amendment—Correspondence with Provincial Premiers

TEXT OF LETTER ADDRESSED BY THE PRIME MINISTER TO THE PREMIERS OF ALL THE PROVINCES

My dear Premier:

For some time the government has been giving consideration to devising a satisfactory means of removing the necessity, on every occasion on which an amendment to the British North America Act is required, of going through the form of having the amendment made by the parliament of the United Kingdom. It does not accord with the status of Canada as a fully autonomous nation that we should be obliged to have recourse to the parliament of another country, however close our association with that country, to determine our own affairs. Moreover, it has been made increasingly clear to the government that the parliament of the United Kingdom has no desire to perpetuate the existing anomalous situation any longer than is absolutely necessary.

Before the recent election I stated on several occasions that it was the view of the government that a method should be worked out to amend our constitution in Canada, and that any such method should include the fullest safeguards of provincial rights and jurisdiction, and of the use of the two official languages and of those other rights which are the sacred trust of our national partnership.

I stated also that it was the intention of the government, after the election, to consult the provincial governments with a view to working out a method of amending the constitution in Canada, which would be satisfactory to all Canadians.

My colleagues and I recognize that the working out of a satisfactory method of making all kinds of amendments will not be easy, and the government has accordingly decided to submit to our parliament, at the forthcoming session, an address requesting an amendment of the British North America Act by the United Kingdom parliament which would vest in the parliament of Canada the authority to amend the constitution of Canada but only in relation to matters not coming within the jurisdiction of the legislatures of the provinces, nor affecting the rights and privileges of the provinces, or existing constitutional rights and privileges with respect to education and to the use of the English and French languages.

Such an amendment would give the Canadian parliament the same jurisdiction over the purely federal aspects of our constitution that the provincial legislatures already possess over the provincial constitutions, while giving both to provincial rights and jurisdiction and to the historic rights of minorities an express assurance of legal protection which we feel they should have.

We recognize that amendments may be required from time to time in the national interest of those provisions of the constitution which concern both federal and provincial authorities, and that it would be desirable to devise a generally satisfactory method of making such amendments in Canada whenever they may be required.

The federal government would appreciate the opportunity of consulting with the governments of all the provinces on this matter in the manner most convenient to the provincial governments, at an early date after the conclusion of the forthcoming session of parliament. If the provincial governments should desire, meanwhile, to have a preparatory conference of constitutional experts, we would be ready to have federal officials participate.

Our aim is to reach agreement, as soon as possible, on a method of amendment which will relieve the United Kingdom parliament of an embarrassing obligation, and establish within Canada full and final responsibility for all our national affairs.

To this end we are inviting the co-operation of your government and the governments of all the other provinces of Canada.

Yours sincerely,

Louis S. St. Laurent

Province of Newfoundland
Office of the Premier

St. John's,
October 4, 1949

Right Hon. Louis S. St. Laurent, M.P., P.C.,
Prime Minister of Canada,
Ottawa.

Dear Mr. St. Laurent,

I hope you will overlook the delay which has occurred since you wrote me on September 14, with regard to finding a suitable new procedure for amending the British North America Act.

I was in Ottawa when you wrote, and your letter was here when I got back. I have brought the matter to the attention of the government of Newfoundland, and they share fully my view that we, for our part, agree with you and your government that a new procedure should be found. We will be happy to co-operate with you in the endeavour. We will be ready at any time after prorogation of parliament to meet with you at Ottawa.

Awaiting your further advice, and with all good wishes,

Very sincerely yours,

J. R. Smallwood,
Premier

Office of the Prime Minister
Canada

Ottawa, October 6, 1949

Honourable J. R. Smallwood, M.L.A.,
Premier of Newfoundland,
St. John's, Newfoundland.

My dear Premier:

I wish to acknowledge your letter of the 4th instant regarding the proposed consultation with the provincial governments with regard to the procedure for amending the constitution.

I thank you for the assurance of the readiness of the government of Newfoundland to co-operate in the endeavour to establish a new procedure, and I shall advise you in due course of our proposals respecting a conference for the purpose.

Yours sincerely,

Louis S. St. Laurent

The Premier
Halifax

September 27, 1949

My dear Prime Minister,

Let me acknowledge, and thank you for, your letter of September 14 in which you deal with the question of devising a method of amending the British North America Act in Canada.

I note that the federal government would be appreciative of an opportunity of consulting with

the governments of all the provinces on this matter at some convenient date after the conclusion of the current session of Parliament. The government of Nova Scotia will be glad to have a representative or representatives at any conference to be called for consideration of this important matter. I doubt that a preparatory conference of constitutional experts should be held before a general conference between representatives of the dominion and the provinces.

I observe that the Minister of Justice has introduced a bill for the abolition of appeals to the privy council. It seems to me that the abolition of appeals to the privy council might well form the subject of study by such a general conference as is envisaged in your letter. I beg to suggest, therefore, that final consideration of the bill now before the House of Commons be deferred until the conference suggested in your letter will be held. There is, I believe, considerable support for that view that the abolition of appeals to the Privy council is in effect an amendment of the constitution and that, therefore, it is a question which should be the subject of discussion at the dominion-provincial conference which you suggest.

Yours sincerely,

Angus L. Macdonald

The Right Honourable Louis S. St. Laurent, P.C.,
Prime Minister of Canada,
Ottawa, Canada.

Office of the Prime Minister

Ottawa,
October 3, 1949

Honourable Angus L. Macdonald, P.C., M.L.A.,
Premier of Nova Scotia,
Halifax, N.S.

My dear Premier:

I wish to acknowledge your letter of September 27, regarding the proposed consultation with the provincial governments with regard to the procedure for amending the constitution.

I thank you for the assurance of the readiness of the government of Nova Scotia to participate in a conference for this purpose, and I shall advise you in due course of our proposals in that connection. I have duly noted your observations regarding a preparatory conference of experts and will place them before my colleagues when I have been advised of the attitude of all the provincial governments.

I have discussed with my colleagues the suggestion contained in your letter that final consideration to the bill to abolish appeals to the privy council be deferred until after the proposed conference between the federal and provincial governments. We feel, however, that, since the judgment of the privy council indicated clearly and unequivocally that the federal parliament possesses exclusive jurisdiction to legislate respecting a final court of appeal for Canada, it would not be an appropriate subject for consultation with the provincial governments, but that parliament should, without further delay, discharge the responsibility placed upon it by the constitution.

Yours sincerely,

Louis S. St. Laurent

Premier's Office
Prince Edward Island

September 26, 1949

The Right Honourable Louis S. St. Laurent,
Prime Minister of Canada,
Ottawa, Canada.

Dear Mr. St. Laurent,

With reference to your letter of September 14, I shall be pleased to attend a conference to discuss amendments to the constitution if and when it is held.

Yours very truly,

J. Walter Jones

The Premier
Fredericton

September 16, 1949

Dear Mr. Prime Minister:

I am this day in receipt of your letter of September fourteenth which has reference to a method of procedure for amending the constitution without resort to the parliament of the United Kingdom.

While I have had no opportunity to discuss the matter with them I am sure that my colleagues would concur with me in a willingness to attend a conference between the dominion and the provinces to discuss this important matter.

Furthermore, if preliminary studies are generally considered desirable, I am sure you can count on this province being represented at any such preparatory conference.

Yours sincerely,

John B. McNair

Right Hon. Louis St. Laurent
Prime Minister of Canada
Ottawa, Canada

Office of the Prime Minister
Canada

Ottawa,
September 26, 1949

Honourable John B. McNair, M.L.A.,
Premier of New Brunswick,
Fredericton, N.B.

My dear Premier:

I wish to acknowledge your letter of the 16th instant regarding the proposed consultation with the provincial governments with regard to the procedure for amending the constitution.

I thank you for the assurance of the readiness of the government of New Brunswick to participate in a conference for this purpose, and I shall advise you in due course of our proposals in that connection. As to a preparatory conference of experts, the government is awaiting word as to the attitude of all the provincial governments before deciding whether it would be helpful for us to take any initiative in arranging such a meeting.

Yours sincerely,

Louis S. St. Laurent

Office of the Prime Minister
Province of Quebec

Quebec, September 19, 1949

Right Honourable Louis S. St. Laurent,
Prime Minister of Canada,
Ottawa.

Mr. Prime Minister:

On Friday, Setpember 16, your letter of the 14th instant, concerning amendments that you mention regarding the British North America Act, was delivered to my office.

I shall submit the contents of your letter as soon as possible to my colleagues in the executive council, and I shall write you again on this subject.

Please accept my best wishes.

M. L. Duplessis

Office of the Prime Minister
Province of Quebec

Quebec, 21 September 1949

Right Honourable Louis S. St. Laurent,
Prime Minister of Canada,
Ottawa.

Mr. Prime Minister:

The members of the executive council of the province have today considered the letter which contains the very important constitutional changes that you mention. This was the first cabinet meeting since your letter was delivered to my office last Friday.

It is, I believe, not necessary to reiterate that the present government of Quebec is in favour of Canadian autonomy, but that it also firmly respects the autonomy of the provinces, particularly that of Quebec.

Provincial authorities in Quebec are always ready to participate in a Canadian intergovernmental conference seeking to study beforehand and apply subsequently the most appropriate and most just methods to give effect to the rights, prerogatives and liberties of the central authority, as well as the provincial authorities.

You write that your colleagues and yourself recognize that it will not be easy to find a satisfactory and general method of amending the constitution.

Evidently the many problems with which we would be confronted in amending our constitution require study and an appropriate delay, and also the co-operation of all the interested parties, that is to say, the governments of the provinces and of the country.

The Canadian constitution is not the work of an hour, nor is it the realization of hasty decision nor the realization of a single political party or single government. It seems to me that each and every one of us can profit by the example given to us by the fathers of confederation, who let the project ripen, and obtained, before deciding anything, the opinion and approbation of the administrations as well as of the statesmen of the time belonging to different parties, different races and different religions.

The government of Quebec, in accord with the highest constitutional and political authorities, without distinction as to race or party, is of the opinion that the British North America Act is a pact concluded between the four pioneer provinces, Lower and Upper Canada (Quebec and Ontario), New Brunswick, and Nova Scotia.

We share also the opinion expressed by the Hon. Honore Mercier, former premier of the province of Quebec, who declared, as did many other Canadian statesmen: "The existence of the provinces preceded that of the dominion; it is from them that it received its powers. They are sovereign within the limits of their attributions, and any interference with this sovereignty is a violation of the federal pact."

From this it follows that it is necessary that amendments which are to be proposed to the Canadian constitution should be submitted initially for the consideration and approbation of the provinces which gave birth to the central authority.

You declare in your letter that your government has decided to submit to the federal parliament at the present session an address praying the parliament of the United Kingdom to confer upon the parliament of Canada the right to amend the constitution of Canada, but only in relation to matters not coming within the jurisdiction of the legislatures of the provinces, nor affecting the constitutional rights and privileges of the provinces, nor the existing rights and privileges in the matter of education or relating to the use of the French and English languages.

Do you not think that it would be arbitrary on the part of the federal government to decide *ex parte* and of its own authority which are federal rights and which are the rights of the provinces? It seems clear to us that it does not belong to one of the parties to a multilateral contract to declare itself the supreme arbitrator in the interpretation of this contract and to assume of its sole authority rights which profoundly concern the other contracting parties.

Do you not think that such an attitude would be incompatible with Canadian unity, well understood, detrimental to desirable Canadian co-operation and contrary to the true interests of the country?

In our opinion the Canadian constitution is a pact which cannot be amended in a unilateral fashion. We believe that an ounce of prevention is worth a pound of cure and it is appropriate that the provinces should be consulted beforehand rather than be left in the presence of an accomplished fact.

We therefore ask, Mr. Prime Minister, that you delay all legislation relating to the federated pact and call together in the first place the interested parties in order that they may study together in a spirit of co-operation the vital problems which are connected with all amendments to the British North America Act.

Please accept my good wishes

M. L. Duplessis

Office of the Prime Minister
Canada

Ottawa September 28, 1949

The Honourable Maurice Duplessis, M.L.A.,
Premier of Quebec,
Parliament Buildings,
Quebec, Que.

My dear Premier:

I duly received your letter of the 21st September, in which you set out the attitude of your government respecting the constitutional proposals referred to in my letter of September 14.

I am pleased that you have said that the provincial authorities of Quebec are ready to participate at any time in a conference between the various Canadian governments with the object of examining and applying the right and proper methods of giving effect to the rights, prerogatives and liberties of the central authority and the provincial authorities.

I note also that you reiterate the opinion that the British North America Act is a compact entered into by the four original provinces. Without at this time entering into any debate regarding this opinion or the consequences which flow from it, I would simply recall that historically the federal authorities have always proceeded, when there was a question of making amendments to this act which touched exclusively on something within federal jurisdiction, by taking it for granted that those sections at least of the act do not have the character of a contract, but are rather statutory provisions capable of being amended by the legislative authority which enacted them.

In the present circumstances we do not ask anyone else to renounce a contrary opinion, but we believe we should proceed in the same fashion

as has been done in the past. We believe that there is a line of demarcation (and that it makes very little difference whether this demarcation was by contract or by statute as long as it is respected) between what is exclusively in the fedelal domain, what is exclusively in the provincial domain, and what is of concern both to the federal and provincial authorities.

I stated in the House of Commons the other day that it was my personal opinion that it would be arbitrary for us to attempt to decide ourselves in a definitive way what was on one side and what was on the other side of this line of demarcation, and that I believed it was desirable, when transferring from the parliament of Westminster to the parliament of Canada the right to make amendments respecting matters which were exclusively of federal interest, that we should use language which would leave to the courts in case of dispute the task of determining the line of demarcation.

We do not ask you to renounce the opinion that you express in your letter, but we do not believe that you will expect us to renounce the one which has been constantly followed in practice in securing the different amendments which have been made to the British North America Act between 1871 and 1949.

I believe that what we suggest offers a practical means of achieving something without either of us on one side or the other having to acquiesce in an opinion that he does not feel he should admit.

The provinces have always had the right of amending their constitution except as respects the office of lieutenant governor. As for the federal authorities, every time they have considered it advisable to amend the provisions which concern them exclusively—and that has seemed advisable about ten times since 1867—they have had to have the amendment made by the parliament of Westminster.

When we have secured for the federal parliament the right to make these amendments instead of having only the right to have them made at Westminster at the request of our two houses of parliament, the problem will remain of providing for amendments, if any should ever be necessary, to the provisions which are not subject to amendment either by the federal parliament alone or by the provincial legislatures alone.

What we wish to examine with the provincial governments is what would be the right and proper procedure in this respect, and we wish at the same time to make provision in the constitution for express guarantees for the autonomy of the provinces, both with respect to their jurisdiction and to their rights and privileges, as well as for the rights and privileges with respect to education and the use of the French and English languages.

It is our hope that, subject to any reservations you may consider proper, your government will take part in such a conference.

Yours sincerely,

Louis S. St. Laurent

Office of the Premier
Province of Quebec

October 5, 1949

Right Honourable Louis S. St. Laurent,
Prime Minister of Canada,
Ottawa.

Mr. Prime Minister:

At the first meeting of council, held today, I submitted your letter of the 28th of September regarding constitutional changes which you have recommended, for the consideration of my colleagues.

You write: "I would simply recall that historically the federal authorities have always proceeded, when there was a question of making amendments to this act which touched exclusively on something within federal jurisdiction, by taking it for granted that those sections at least of the act do not have the character of a contract, but are rather statutory provisions capable of being amended by the legislative authority which enacted them".

Permit me respectfully to recall to you that your interpretation does not correspond with that of the fathers of the federative pact in the parliament of Westminster in 1867. Lord Carnarvon in the House of Lords, and the Under-Secretary of State for the Colonies, Mr. Adderley in the House of Commons, have said as follows:

Lord Carnarvon: "The Quebec resolutions, with some slight changes, form the basis of a measure that I have now the honour to submit to parliament. To those resolutions all the British provinces in North America were, as I have said, consenting parties, and the measure founded upon them must be accepted as a treaty of union."

Mr. Adderley: "If, again, federation has in this case specially been a matter of most delicate treaty and compact between the provinces . . . it is clearly necessary that there should be a third party *ab extra* to give sanction to the treaty made between them."

It seems evident to us that Lord Carnarvon and Mr. Adderley were fully aware of what they were discussing, that they were acting in good faith, and that they did not wish to mislead those who were interested, by statements which were not correct.

In addition, our Canadian statesmen of different political allegiances and different races have also expressed on several occasions the opinion that the act of confederation is a pact or a treaty.

We are persuaded that if the province of Quebec had believed that the federative act represented simply a piece of legislation always susceptible of being amended at the sole wish of the federal authorities, it would not have given its consent.

It seems clear to us that at the moment of confederation the statesmen of the time had in mind and sought confirmation of a pact or treaty. Further, there are several privy council judgments to the effect that not a law but a pact is involved.

If, as you have written, and once more, we respect your opinion without sharing it, the Canadian constitution is a law which does not offer guarantees of permanence and stability as such, because it is subject to all modifications, how would a new law, also subject to amendments, offer greater guarantees?

Do you not believe that the many vital problems involved in an amendment of the Canadian constitution are of such magnitude that it is fitting that they be studied and given mature consideration, before proposing them, and even more before adopting them?

You invoke federal precedents for the proposed method of amending the constitution. Do you not believe that bad precedents ought not to be multiplied—and moreover, none of the precedents to which you have referred has the importance nor is so far-reaching as what you now propose. We must not forget that very important amendments to the Canadian constitution, though not as important as those which you propose, have been made despite the opposition of the province of Quebec. In our opinion the more numerous the bad precedents are, the more necessary it is to put an end to them and to cease multiplying them.

I repeat that the present government of Quebec is in favour of the autonomy of Canada, but that it also holds firmly to respect for the autonomy of the provinces and of Quebec in particular.

I should like to renew the assurances that the provincial authorities in Quebec are always ready to take part in a Canadian intergovernmental con-

ference whose aim would be to study beforehand and apply subsequently the most appropriate and just methods to give effect to the rights, prerogatives, and liberties of the central authority as well as of the provincial authorities.

Once more I draw your attention to the fact that the Canadian constitution did not result from hasty decisions, nor was it the realization of a single political party or of a single government.

We renew our request, Mr. Prime Minister, that you agree to postpone all legislation concerning the federative pact and call together initially the interested parties to study together in a spirit of co-operation the vital problems involved in an amendment to the British North America Act.

Yours sincerely,

M. L. Duplessis

Office of the Prime Minister

Ottawa, October 13, 1949

The Honourable Maurice Duplessis, M.L.A.
Premier of Quebec,
Parliament Buildings,
Quebec, Que.

My dear Premier:

I duly received your letter of the 5th instant with further reference to the constitutional changes proposed by the federal government, and I submitted it to my colleagues yesterday.

In your letter we were surprised to read the following paragraph:

"If, as you have written, and once more we respect your opinion without sharing it, the Canadian constitution is a law which does not offer guarantees of permanence and stability as such, because it is subject to all modifications, how would a new law, also subject to amendments, offer greater guarantees?"

That is not the position of the federal government at all. We do not claim, and have never claimed, that the federal authorities have any such sweeping right in respect to amendments to the constitution.

What we do claim, and what we propose to secure at the present time, is a practical method of having made in Canada, by the federal parliament alone, not "all amendments" to the constitution, but only amendments relating to provisions of the constitution which are the exclusive concern of the federal authorities.

We believe we already have the right to have such amendments made without consulting the provincial authorities, just as the provincial legislatures have the right, without consulting the federal authorities, to make themselves, any amendments they consider desirable of those provisions which concern them exclusively.

In order to secure a declaration that such amendments can be made by the federal parliament instead of having them made by the parliament at Westminster, we propose to use the procedure used in securing amendments in the past.

The amendments already made within the federal sphere have had beneficial results, notably those of 1943 and 1946, which assured to the population of Quebec a more equitable representation in the federal parliament.

In your opinion this procedure and these precedents are unsound. To that opinion we can only reply that "we respect your opinion without sharing it," and that, as in the past, there is no obligation to ask for your consent or your acquiescence.

We now believe that a change of venue for future amendments is desirable. We believe that, rather than have them made by a parliament representing the citizens of the United Kingdom, future amendments to our constitution should, depending upon the subject matter of the amendment, either be made by parliament alone or parliament and the legislatures, which represent the citizens of Canada.

There is no doubt about our power to have this change of venue made without consulting the provincial authorities and without their acquiescence, "except as regards matters coming within the classes of subjects by this act assigned exclusively to the legislatures of the provinces, or as regards rights or privileges by this or any other constitutional act granted or secured to the legislature or the government of a province, or to any class of persons with respect to schools or as regards the use of the English or the French language."

We claim we also have the right to have this change of venue made, without the consent or acquiescence of the provincial authorities. We cannot therefore accede to your request to postpone all action until there has been an understanding with the provincial authorities.

Once this first step has been taken, the federal authorities will be in the same position as the provincial authorities. If, under the pretence of making an amendment to the provincial constitution, a legislature encroaches on matters coming under federal jurisdiction, the courts would declare such an amendment ultra vires. The same rule will apply to federal legislation: to be valid, it will have to avoid encroaching on matters assigned exclusively to the provincial legislatures, or on rights or privileges granted or secured to the legislature or government of a province or to any class of persons with respect to schools, or as regards the use of the English or French language. If ever there should be legal disputes as to the validity of such federal legislation, the courts would be called on to decide them.

But there will remain, as I stated in my letter of the 28th of September, the problem "of providing for amendments, if any should ever be necessary, to the provisions which are not subject to amendment either by the federal parliament alone or by the provincial legislatures alone".

So long as the federal and provincial authorities have not agreed upon a right and proper procedure in this respect, all such amendments will remain within the jurisdiction of the parliament in London, instead of here in Canada.

There will also remain the problem of embodying in the constitution express legal safeguards of the rights of the provinces and of minorities which are not there now. All these things can be done, and we believe they should have done, and, when we of the federal government have accomplished all that we believe we can have done by ourselves, I shall renew the invitation to you to confer with us and representatives of the other provincial governments in order to devise means of completing the task of having transferred to the Canadian authorities what remains of the jurisdiction of the parliament in London over Canada's domestic affairs.

Yours sincerely,

Louis S. St. Laurent

Office of the Prime Minister
and President of the Council

Toronto, Ontario,
October 7, 1949.

Dear Mr. Prime Minister:

I have your letter of the 14th September relative to the amendment of our constitution. I shall be glad to attend the conference which you refer to, and which it is proposed to hold shortly after the present session of parliament.

I agree with your observation that the working out of a satisfactory method of making all kinds of amendments to the constitution will not be easy. I can assure you that we are prepared to give all proposals the utmost consideration. I am frankly

in some doubt as to the advisability of dealing with the matter piecemeal without first attempting general agreement. Obviously, matters which are purely a federal concern will have to be delineated from time to time by the courts. My consideration of the matter leads me to believe that abolition of appeals to the privy council may affect this very important side of matters more than is generally realized. Following my conversation with you the other day, Mr. Garson wrote to me and I expressed some of my doubt in the matter in a letter under yesterday's date.

I make these observations because of the difficulties which were inherent in this whole matter. As stated, I shall attend the conference and, if it should appear desirable to have a preparatory conference of constitutional experts, we shall be prepared to participate.

Very sincerely yours,

Leslie M. Frost

The Right Honourable
Louis S. St. Laurent, K.C.,
Prime Minister of Canada,
Ottawa, Canada.

Office of the Prime Minister

Ottawa, October 13, 1949

The Honourable Leslie M. Frost, M.L.A.,
Premier of Ontario,
Parliament Buildings,
Toronto, Ontario.

My dear Premier:

I have just this afternoon received your letter of the 7th instant, replying to mine of the 14th of September, relative to the amendment of our constitution.

As I am obliged to leave Ottawa in a few minutes and will be absent for two or three days, I am sending this acknowledgment at once and confining myself to expressing appreciation of your expression of the willingness of the Ontario government to participate in a conference to consider a suitable method of amending the constitution in Canada.

Yours sincerely,

Louis S. St. Laurent

Province of Manitoba
Office of the Premier
Winnipeg

October 6, 1949

The Right Honourable Louis S. St. Laurent, K.C.,
Prime Minister of Canada,
Ottawa, Canada.

My dear Prime Minister:

I am in receipt of your letter of September 14, 1949.

The government of Manitoba would be pleased to discuss with the federal government and the governments of the several provinces the questions mentioned by you at any time and place that is mutually convenient.

Your letter indicates that your government has already decided to ask the United Kingdom parliament to amend the British North America Act so that the parliament of Canada would have authority to amend the constitution of Canada, but only in relation to matters not coming within the jurisdiction of the legislatures of the provinces nor affecting the rights and privileges with respect to education and to the use of the English and French languages. The government of Manitoba feels that there might be differences of opinion as to whether a proposed amendment to the constitution related only to federal matters or affected provincial interests, rights, or jurisdiction. Before agreeing to any specific proposal, therefore, our government will examine carefully the manner in which the provincial position is to be protected.

The main purpose of the conference, as I understand it, would be to try to evolve a method of making, within Canada, amendments to those provisions of the constitution which concern both federal and provincial governments. The government of Manitoba realizes that a conference such as this will be dealing with difficult and complex constitutional problems, and that progress towards a solution of them can be made by representatives of Canada and the provinces meeting together. Our government is therefore of the opinion that a preliminary conference, comprising constitutional experts, though not necessarily limited to them, would be useful in clarifying many of the issues involved. We would consequently welcome the calling of such a preparatory conference and will be glad to participate in it.

I assume that the Manitoba government will be furnished with an agenda for either the preparatory conference or a dominion-provincial conference in sufficient time to afford us an opportunity of discussing items on the agenda and to enable our representatives to make full preparations.

Yours sincerely,

Douglas Campbell

Office of the Prime Minister

Ottawa,
October 12, 1949

Honourable Douglas Campbell, M.L.A.,
Premier of Manitoba,
Winnipeg, Manitoba.

My dear Premier:

I wish to acknowledge your letter of the 6th instant regarding the proposed consultation with the provincial governments with regard to the procedure for amending the constitution.

I thank you for the assurance of the readiness of the government of Manitoba to participate in a conference for this purpose, and I shall advise you in due course of our proposals in that connection. As to a preparatory conference of experts, the government is awaiting word as to the attitude of all the provincial governments before deciding whether it would be helpful for us to take any initiative in arranging such a meeting.

As for the amendment we have already decided to ask the United Kingdom parliament to enact, I have pleasure in enclosing a copy of the motion which is already on the order paper of the House of Commons. Since it relates only to that part of the constitution which is of exclusive concern to the federal authorities, and leaves to the courts the responsibility for deciding any disputes as to the limits of our jurisdiction, it was our view that it would not be appropriate to consult the provincial authorities or to ask them to share our responsibility for a proposal which relates exclusively to matters within federal jurisdiction.

Yours sincerely,

Louis S. St. Laurent

Premier's Office

Regina, September 20th, 1949

Right Hon. L. S. St. Laurent,
Prime Minister of Canada,
Ottawa, Ontario.

My dear Prime Minister:

Thank you for your letter of September 14 advising me that at the forthcoming session you

propose to take steps to secure an amendment to the British North America Act vesting the parliament of Canada with the authority to amend the constitution of Canada in relation to matters not coming within the jurisdiction of the provinces nor affecting minority rights.

The government of Saskatchewan has always held that Canada should have the right to amend its own constitution, and consequently we welcome the news that steps are being taken to this end in so far as purely federal matters are concerned. I would take it that this will be done in conjunction with the abolition of appeals to the judicial committee of the privy council; for it would seem anomalous to vest the Canadian parliament with the authority to amend its constitution and leave with a judicial body of the United Kingdom power to hand down decisions affecting the interpretation of Canadian law. If such a step is taken, may I respectfully suggest that some measures should be adopted to make the Canadian supreme court more representative than it is at present, in order that those who find it necessary to appeal decisions of the lower courts may feel more confident than they are at present that these matters are being approached from the broadest possible viewpoint.

With reference to your suggestion that the federal and provincial governments consult at an early date regarding amendments which may be required to deal with those provisions of the constitution which affect federal and provincial authorities and minority rights, I wish to assure you that the government of Saskatchewan will gladly co-operate with your government and the governments of the other provinces in seeking to find a satisfactory solution to this problem. We recognize that proper safeguards will be necessary in order to prevent any unwarranted infringement upon provincial or minority rights, but at the same time we are convinced that the power to amend these provisions of our constitution should lie solely with the people of Canada through their elected dominion and provincial representatives. We are equally certain that if this problem is tackled in a spirit of co-operation and good will, a modus operandi can be worked out which will be acceptable to the great majority of Canadian citizens.

Will you please advise us when such a conference is likely to be held, and if it is your intention to invite the provincial governments to send constitutional experts to a preparatory conference for the purpose of laying a basis for our discussions.

Assuring you of our willingness to co-operate in this matter, and awaiting any further particulars regarding the proposed conference, I remain,

Yours sincerely,

T. C. Douglas

Office of the Prime Minister

Ottawa, September 26, 1949.

Honourable T. C. Douglas, M.L.A.,
Premier of Saskatchewan,
Regina, Saskatchewan.

My dear Premier:

I wish to acknowledge your letter of the 20th instant regarding the proposed consultation with the provincial governments with regard to the procedure for amending the constitution.

I thank you for the assurance of the readiness of the government of Saskatchewan to participate in a conference for this purpose, and I shall advise you in due course of our proposals in that connection.

As to a preparatory conference of experts, the government is awaiting word as to the attitude of all the provincial governments before deciding whether it would be helpful for us to take any initiative in arranging such a meeting.

Yours sincerely,

Louis S. St. Laurent

Office of the Premier
Alberta

Edmonton,
October 12, 1949

Right Hon. Louis St. Laurent,
Prime Minister of Canada,
Ottawa, Ontario.

My dear Prime Minister:

My colleagues and I have carefully considered your letter of September 14, in which you invite the co-operation of the Alberta government in measures designed to alter the present procedure in the matter of amendments to the British North America Act.

The government of Alberta will be pleased to be represented at a conference between the dominion and the provinces for a full discussion of this important subject. Your suggestion that such a conference be held following the present session of parliament is satisfactory to us.

In view of the important legal aspects of the matter, we favour your further suggestion that a preliminary meeting of constitutional experts representing the various governments be held prior to the main conference.

I would like to refer particularly to your observation that it is the intention of parliament at the present session to request an amendment to the British North America Act by the United Kingdom parliament which would vest in the parliament of Canada the authority to amend the constitution of Canada in relation to matters not coming within the jurisdiction of the legislatures of the provinces.

While this may appear to be a matter of concern only to the dominion government, my colleagues and I feel strongly that the amendment proposed concerns the provinces as well, in that federal policies initiated under future amendments to the B.N.A. Act which the dominion parliament might make within its constitutional sphere, could well have far-reachng effects on the economy of the provinces. Furthermore, the privy council has held that under the B.N.A. Act all powers have been vested in either the provinces or the dominion. It is difficult, therefore, to see how a situation could arise where any amendment to the B.N.A. Act would affect dominion powers alone, without at the same time affecting at least to some degree the rights of the provinces. We feel it is extremely important, before any amendment is made to the British North America Act, even in the field of federal jurisdiction, that the whole question of dominion versus provincial jurisdiction be fully discussed at a joint meeting of representatives of the dominion and provincial governments. We strongly urge that this whole matter be held in abeyance pending the conference which you propose to convene at the close of the present session of parliament. It seems to us that this is the only way in which future conflict can be avoided and the unity of Canada, which we all desire, preserved and strengthened.

Yours very truly,

Ernest C. Manning,
Premier.

Office of the Prime Minister

October 17, 1949

Honourable E. C. Manning, M.L.A.,
Premier of Alberta,
Edmonton, Alberta.

My dear Premier:

I wish to acknowledge receipt of your letter of October 12 regarding the proposed consultations with the provincial governments in connection with the procedure for amending the constitution.

I have pleasure in enclosing a copy of the motion which is on the order paper of the House of Commons embodying the address asking the United Kingdom parliament to empower the parliament of Canada to amend our constitution in relation to matters not coming within the jurisdiction of the legislatures of the provinces, or in relation to provincial or minority rights. As you will see from the motion, the proposed amendment is not intended to affect provincial jurisdiction or the rights or prerogatives of provincial legislatures or governments, but relates only to that part of the constitution which is of exclusive concern to the federal authorities, and leaves to the courts the responsibility for deciding any disputes as to the limits of our jurisdiction.

In other words, the action proposed immediately will merely give to the federal authorities the same power to amend the constitution of Canada which the provincial authorities already enjoy under section 92 of the British North America Act to amend the constitutions of the provinces.

It is accordingly our view that it would not be appropriate to consult the provincial authorities or to ask them to share our responsibility for a proposal which relates exclusively to matters within federal jurisdiction.

All that is really involved is a change of venue for future amendments relating to provisions of the constitution which are the exclusive concern of the federal authorities. Since we are convinced we have the right to have this change of venue made without the consent or acquiescence of the provincial authorities, we feel we cannot accede to your request that the whole matter be held in abeyance pending the conference proposed after the close of the present session of parliament.

Once this initial step has been taken, there will remain the problem of providing for amendments, if any should ever be necessary, to the provisions which are not subject to amendment either by the federal parliament alone or by the provincial legislatures alone.

So long as the federal and provincial authorities have not agreed upon a right and proper procedure in this respect, all such amendments will remain within the jurisdiction of the parliament in London instead of here in Canada.

There will also remain the problem of embodying in the constitution express legal safeguards of the rights of the provinces and of minorities which are not there now. All these things can be done, and we believe they should be done, and when, we of the federal government have accomplished all that we believe we can have done by ourselves, I shall renew the invitation to you to confer with us and representatives of the other provincial governments in order to devise means of completing the task of having transferred to the Canadian authorities what remains of the jurisdiction of the parliament in London over Canada's domestic affairs. In this connection my colleagues and I are gratified by your assurance that the government of Alberta will be pleased to be represented at such a conference.

Yours sincerely,

Louis S. St. Laurent

Office of the Premier
Province of
British Columbia

Victoria,
September 28, 1949

The Right Honourable Louis S. St. Laurent,
Prime Minister of Canada,
Ottawa, Canada.

My dear Mr. Prime Minister:

I have for acknowledgment your letter of September 14, which arrived during my absence on a trip through the northern part of the province. I note your desire to have a conference of representatives of your government and the provincial governments to discuss the possibility of amending the British North America Act.

I may say that the government of the province of British Columbia is willing to participate in a conference to discuss constitutional matters at a time to be designated by your government.

We feel that the question of a preparatory conference of constitutional experts should be held in abeyance until such time as the conference suggested has been held and an opportunity given to the provincial governments to study in detail the changes which may be considered desirable.

With kindest personal regards,

Yours faithfully,

Byron I. Johnson
Premier

Office of the Prime Minister

Ottawa,
October 1, 1949

Honourable Byron I. Johnson, M.L.A.,
Premier of British Columbia,
Victoria, B.C.

My dear Premier:

I wish to acknowledge your letter of September 28 regarding the proposed consultation with the provincial governments with regard to the procedure for amending the constitution.

I thank you for the assurance of the readiness of the government of British Columbia to participate in a conference for this purpose, and I shall advise you in due course of our proposals in that connection.

I have duly noted your observations regarding a preparatory conference of experts, and will place them before my colleagues when I have been advised of the attitude of all the provincial governments.

Yours sincerely,

Louis S. St. Laurent

THE SENATE

Wednesday, October 19, 1949.

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

Prayers and routine proceedings.

DIVORCE

HEARING OF EVIDENCE

Hon. John T. Haig, Acting Chairman of the Standing Committee on Divorce, presented and moved concurrence in the committee's reports numbers 90 to 101.

He said: Honourable senators, I am not going to refer to a discussion that was had in another place, but there is one remark that I wish to make. I should first point out that the Chairman of the Committee (Hon. Mr. Aseltine) unfortunately is not here, and that I have not consulted him or any other member of the committee as to what I am about to say. It is simply this, that if honourable members of another place desire to take the primary evidence in divorce cases and send the typewritten transcripts over to us with their findings, we shall be delighted to have them do this.

Some hon. Senators: Hear, hear.

Hon. Mr. Haig: I say that quite candidly.

The motion was agreed to.

PRIVATE BILL

REPORT OF COMMITTEE

Hon. Mr. Copp presented the report of the Standing Committee on Transport and Communications on Bill E, an Act to incorporate Alberta Natural Gas Company.

He said: Honourable senators, the committee have, in obedience to the order of reference of October 4, 1949, 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. Turgeon: 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. Mr. Haig (acting Chairman of the Standing Committee on Divorce) presented the following bills:

Bill Y-2, an Act for the relief of Marion Lillian Gargan Thomson.

Bill Z-2, an Act for the relief of Mary Piekos Rynski.

Bill A-3, an Act for the relief of Victor Chryssolor.

Bill B-3, an Act for the relief of Blanche Ruth Serokey Smith.

Bill C-3, an Act for the relief of Raymonde Belanger Skaife.

Bill D-3, an Act for the relief of Elizabeth Maud Gwendolen Tobi Hearns.

Bill E-3, an Act for the relief of Ruby Muriel Keith Gray.

Bill F-3, an Act for the relief of Laurel Jeanne MacGregor Thomson.

Bill G-3, an Act for the relief of Edith Sara Hamilton Warlund.

Bill H-3, an Act for the relief of Donald Duncalf Birchenough.

Bill I-3, an Act for the relief of Joan Gertrude Fox Corbett.

Bill J-3, an Act for the relief of Richard William Henry Wark.

Bill K-3, an Act for the relief of Eileen Dorothy Richards Turner.

Bill L-3, an Act for the relief of Janey Beryl MacPhail Shuttleworth.

The bills were read the first time.

The Hon. the Speaker: When shall these bills be read a second time?

Hon. Mr. Haig: The next sitting of the house.

LIVE STOCK PEDIGREE BILL

SECOND READING

Hon. Mr. Robertson moved second reading of Bill A-2, an Act respecting the incorporation of Pure-Bred Live Stock Record Associations.

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

Hon. Salter A. Hayden: Honourable senators, this bill, as its title indicates, relates to the incorporation of associations for the purpose of keeping a record and maintaining a registration of pure-bred live stock. I have just heard a whispered comment as to why a Toronto lawyer should explain a bill of this nature. I may say that a similar bill was before this house last year. It received first reading, and on the motion for second reading I explained the principle of the measure, whereupon it was read the second time and was referred to a committee Upon being reported back by the committee, the bill was read a third time and passed, and was sent to the other place; but time ran out before it could receive consideration there. Hence, I am now going to attempt to make the same explanation I made last session.

The principle behind this bill, of providing for the recording of pedigrees of animals, is not new in our legislation. The present Act was passed in 1932. Prior to that time, and back as far as 1900, there was a series of statutes dealing with the subject. Before this bill was prepared for submission to parliament, an invitation was sent out to all breeders' associations in Canada to meet in Ottawa for the purpose of considering the proposed measure. There was a very large attendance of members from the various associations across Canada. They spent two days reviewing and discussing the terms of the bill, to which they gave unanimous approval; and no protest has since been received by the department from any association or from individual members.

Hon. Mr. Leger: Have you considered the constitutional aspect of it?

Hon. Mr. Hayden: That question was raised in committee last year. If there is any desire to debate the question of constitutionality perhaps the discussion could take place in committee. Last year when the question was raised the committee seemed to be satisfied that the bill was within the legislative powers of the government; and for that reason, unless the question is raised and discussed by other members of the Senate, I do not propose to offer any justification on the constitutional aspect.

What I want to point out, rather, is that the scheme of the bill follows generally that of the preceding legislation. A group of persons who let us say, represent breeders of a certain class of animals can get together, complete the form provided for in the statute, and forward their application and the supporting material to the Minister of Agriculture. If the minister is satisfied that the applicants represent a cross-section of the breeders of the particular class of animals concerned, he will sanction the incorporation of their association, which then becomes the representative association for that class or breed of animals. The association is represented on the central recording body at Ottawa, through which the registrations are effected; and these must be made in accordance with the regulations which the association, once it has been incorporated, will enact. The minister retains the power to see to it that the bylaws and regulations passed by the incorporated association are in the form prescribed by the Act. Until he has approved of them they are not effective.

In one particular the bill goes a little further than any previous legislation. The purpose, I suppose, is to deal with that particular frailty of human nature to which I referred last year. In many cases the management of these associations is in the hands of persons who are also exhibitors, some of whom, in their desire to gain the top place at showings, might seek to eliminate a competitor by invoking some bylaw of the association. In fact, this has been done from time to time. A member of the association who is also an exhibitor may have made himself subject to disciplinary action because of some conduct, or misconduct, having no relation at all to registration or to the identification of animals: yet some of these associations, or some directors of associations, have seen fit to apply a penalty preventing the person so penalized from showing for a certain period and from registering the progeny of his animals. Complaints on this ground have been received from time to time by the minister. To meet this situation a provision, subsection 5 of section 6, which also appeared in the bill last year, provides in effect that the right of registration cannot be suspended unless the person involved has been guilty of some offence in relation to registration or the falsification of records. That seems to be a reasonable position to take. The form which is used to take care of bylaws which may presently be in existence in many associations, and which would give that arbitrary power that I have mentioned, is found in subsection 5 of section 6, which reads as follows:

> Notwithstanding anything in the by-laws of an association incorporated under this or any other Act mentioned in paragraph (b) of section two, no person shall be deprived of the right to register or transfer pure-bred live stock unless he has violated or is reasonably suspected by an association to have violated
>
> (a) a by-law of an association relating to eligibility for registration, establishment of production credentials or payment of fees,

Then we come to sections 16 and 17, which are penal sections dealing with the falsification of records and the making of misrepresentations with respect to the quality of particular animals by holding them out to be qualified under the records provisions in this Act. The penal sections in this bill have been spelled out considerably more than in the present Act. I think that this is highly desirable, because if we provide penalties for offences, the various offences should be specifically set out. At the end of the bill there is an exception which makes section 1142 of the Criminal Code inapplicable to proceedings with respect to the penal sections of this measure. There is nothing mysterious about this. When an information is laid under section 1142 of the Criminal Code, it must be in relation to an offence which has occurred within six months of the laying of the information. It would be almost impossible to discover many of the offences created under this bill, or which exist under the present Act, within a period of six months. It is

therefore felt that this section of the Code should not apply. If there should be a fraudulent act in connection with a registration, it would be more than six months before the facts could be obtained.

Hon. Mr. Roebuck: Is there any limitation provided in the bill?

Hon. Mr. Hayden: No, there is no limitation. Just to illustrate a typical offence, I shall read part of paragraph (1) of section 17:

> Every person who
> (a) knowingly signs or presents, or causes or procures to be signed or presented, to the recording officer of an association or to the person in charge of the Canadian National Live Stock Records, any declaration or any application for registration or any transfer of ownership respecting any animal, containing any material false statement or representation—

such a person is guilty of an offence and is liable on summary conviction to a fine of not more than $500 and not less than $50, or to imprisonment for a term not exceeding two months. There is a whole list of offences of this type, and they all involve the deliberate commission of some act. A person must intend to do what he does. In other words, no specific offence is created where the intention of the person who is likely to be charged becomes unimportant, as is the case in other classes of legislation.

I do not think it is necessary to give any more detail about this bill. I am sure that a great many honourable senators are thoroughly familiar with the operation of the present statute and know its provisions much better than I do. If the bill is given second reading, I propose to move that it be referred to the appropriate committee of the Senate.

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 Natural Resources.

The motion was agreed to.

SUPREME COURT BILL

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Robertson for the second reading of Bill 2, an Act to amend the Supreme Court Act.

(*Translation*):

Hon. Paul Henri Bouffard: Honourable senators, it is with the deepest joy and the most legitimate pride that I rise to speak on an Act which marks a milestone in the history of our political evolution. The Canadian nation is taking a most important step towards that sovereignty which is the innate desire of all those Canadians who are proud of their country's past, anxious for its present and confident in its future.

I am truly happy to have the honour of being among those who will vote for this Act, because it means the disappearance from the Canadian nation of one of the main relics of a dependence inconsistent with Canada's present greatness, its political, industrial and commercial development, the place it has made for itself in the world or the pride of its people.

This Act is the result of an evolution which started more than a century ago and to the shaping of which all Canadian citizens of every descent have contributed with such firmness.

The political struggles of Canadians have not been in vain. The year 1848 saw the victory of responsible government, one of the greatest which our forefathers won, and also one of the best examples of their tenacity.

In 1919, the Treaty of Versailles was signed for Canada by a Canadian. The Imperial conferences held from 1926 to 1931 resulted in the Statute of Westminster, which made foreign laws inapplicable to Canada and which gave our country full legislative authority, territorially and extra-territorially.

Canada has shown herself worthy of the nationhood which was granted to her. If, at each one of these stages, some Canadians have hesitated to face the new responsibilities which the Canadian nation was taking upon itself, experience has shown, over the years, that these fears were unfounded, that the nation was ready to take on its responsibilities and that our statesmen were well able to guide the country towards a future which has proved greater than any Canadian had dared to hope.

This reluctance was inspired, not so much by the idea of Canadian independence, which everybody favoured in principle, but rather by a certain fear that it might lead us to break away from the Old Country. That has not been the case. On the contrary, the more independent Canadians become, the more do they behave as loyal subjects of the King.

What Canadians want is the autonomy to which they are entitled, the right to direct their own affairs and to lead the nation according to the ideas of Canadians. Who would dare to claim that Canada's participation in the wars of 1914-1918 and 1939-1945 would have been as great, had it not been the result of Canada's real freedom of action? The enormous sacrifices which Canada

required of its people would certainly not have been possible if the decision had not rested with the Canadian people themselves.

Even today, and perhaps more than ever, Canada is conscious of the associations which bind her to the Anglo-Saxon world. She is conscious of the dangers involved in the present situation. And it is of her own accord, of her own free will, that she has recently assumed the obligations of the Atlantic Pact. She will again be willing, I am convinced, if necessary, to co-operate with the free peoples to defend and preserve the political and individual liberties to which she attaches so much importance.

Only if they are freely agreed upon by the member countries, will our relations with the British Commonwealth countries be sound, sincere and placed upon unshakable foundations. It is only through freedom that we can co-operate.

British statesmen have long understood our desire for and need of liberty. They realize that in the very interest of the Mother Country it belongs to Canada alone to measure the degree of friendship which binds her to the Mother Country and the co-operation which she must give to the nations of the Commonwealth while at the same time safeguarding her own interests.

If we look now at the internal policy of Canada, the progress accomplished by our country during the last century makes it easy to realize that the reluctance shown by some of our fellow-Canadians was unfounded.

It is abundantly clear from the results achieved that our nation was in a position to promote her own interests and to attain her full development under the impetus of her own decisions. If our statesmen excite the admiration of the whole world, and are listened to with attention in the Council of Nations, it is equally true that the progress brought about by their internal policies are a source of astonishment to the world. From the few snow-covered acres, ceded in 1760 and inhabited by no more than a hundred thousand people, has sprung a vigorous, strong and intelligent nation. Canada now ranks among the first ten nations of the world in the field of industry and trade, and, taking her population into account, she certainly heads the list. We are taking today a further step towards the autonomy necessary to the present political status of Canada. The independence of the judiciary of our country is as necessary as her legislative and executive independence. And if Canada has shown herself worthy of the liberties which she has acquired up to now, there is no reason why her jurists should not be equally worthy of assuming the responsibilities of judicial independence. Canada has been the birth place of such statesmen as Macdonald, Laurier, Lapointe, Borden, King and St. Laurent, who were equal to the most difficult political responsibilities; it would be childish to believe that we could not find in our country Canadians qualified to assume the responsibility of judging and deciding our own issues finally, definitely and exclusively.

Unfortunately, there are still some timid Canadians who believe that Canada is not in a position to assume the responsibilities consistent with full independence. It is really surprising to see that while at the beginning of our struggles Canada had to fight against British statesmen, today our politicians have to struggle against Canadians in our own country for the achievement of our independence. The statesmen of the United Kingdom are the men who abolished, through the Statute of Westminster, the barriers which prevented Canada from attaining the independence of her judiciary. British statesmen, the members of the Privy Council and the British cabinet, are those who decided that we had the right, if we wanted our own independent judiciary, to enact the necessary legislation. What obstacles remain now? Nothing but a Canadian timidity identical with that of the past, which still poisons the minds of some of our fellow-citizens.

Is not the example of the past sufficient to give those Canadians, who are sincere of course, the self-confidence so necessary to the individuals who make up a nation anxious to attain her own development and to direct her own affairs?

Fortunately, the leader of our country is neither timid nor fearful. He assumes his responsibilities without any reluctance, in order to lead the country along the path blazed by his predecessors. His policies were endorsed by the great majority of our citizens. We hope that the example which he has set will eliminate the misgivings which still exist in the minds of some of our people.

The principle of this bill is simple: it confers upon our Supreme Court of Canada exclusive and final jurisdiction in deciding disputes originating in Canada. In other words, its object is to transfer to our Canadian court the judicial powers heretofore exercised by an English court. Indeed, the Privy Council is composed of judges appointed by the British government; its function is to advise the British cabinet upon the decisions which should be made with respect to disputes of Canadian origin submitted to it.

I admire greatly the English judges who in the past have carried out such important

functions. They are learned men of unquestionable integrity. In other words, they are great jurists. It must be recognized, however, that if it be true that England has produced great jurists, France, Belgium, Italy, Switzerland and other countries have also had theirs.

Canada, too, has her great jurists. The members of her judiciary command the respect of the nation. We need have no fear in entrusting them with the responsibility of interpreting our laws. They will perform this important function with as much if not more dash than those who have carried it out in the past.

Was not that the opinion of the British statesmen when, in 1931, they suppressed the last traces of the imperial legislation which barred the way to our reaching full maturity in judicial matters?

The same thing happened in 1947 when the Privy Council decided that Canada had the right to abolish appeals to its own court. May I quote some excerpts from that judgment: Lord Jowitt, in his 1947 judgment stated at the outset that the Privy Council is but a court of royal prerogative. After distinguishing between appeals at law and appeals in reprieve, he added:

(*Text*):

This has been for practical purposes a convenient mode of division, but fundamentally in both classes of case, the appeal is founded on that prerogative which, as long ago as 1867 in Regina vs Bertrand, was described as the inherent prerogative right, and on all proper occasions, the duty of the Queen in Council to exercise an appellate jurisdiction, with a view not only to ensure, as far as may be, the due administration of justice in the individual case, but also to preserve the due course of procedure generally.

(*Translation*):

He expressed himself without hesitancy and with the utmost frankness on the legitimacy of Canadian aspirations, recognizing that the abolition of appeals to the Privy Council was the only solution consistent with the status of a self-governing dominion.

I quote his own words:

(*Text*):

No other solution is consonant with the status of a self-governing Dominion.

(*Translation*):

These words appear on page 148 of the Appeal Cases—1947. Further on, on page 154, he expresses himself no less clearly:

(*Text*):

The regulation of appeals is, to use the words of Lord Sankey in the British Coal Corporation case, a prime element in Canadian sovereignty which would be impaired if at the will of its citizens recourse could be had to a tribunal, in the constitution of which it had no voice.

It is in fact, a prime element of the self-government of the Dominion, that it should be able to secure through its own courts of justice that the law should be one and the same for all citizens.

(*Translation*):

If this is not, on the part of the most experienced English statesmen, an invitation to Canada to settle her own disputes, then I can make nothing of the very clear words I have just quoted. That was, at any rate, the logical sequel of the Statute of Westminster.

I have too much respect for the decisions of the Privy Council to allow myself the slightest criticism of its judgments. It is a great tribunal. It is no longer fitting, however, that Canada should submit Canadian disputes to a tribunal of another country, however competent and respectable that tribunal may be. Judicial independence is a necessary attribute of an autonomous country's sovereignty. Canada cannot escape this responsibility and aspire to independence while submitting to the decision of a tribunal which is not primarily Canadian.

Canada has the right to decree its own full judicial independence. Every one recognizes the knowledge and integrity of our judges. Why are we waiting to exercise the right we hold and to entrust our Canadian judges with this new attribute of responsibility.

Let us now review some of the minor objections which have arisen in the course of the very interesting discussions in another place. Some have suggested a six-month hoist. Why? Because the bill was not acceptable? No one has so intimated. Because Canada has not the right to take such action? Not at all. Because her judges are not qualified to take over this responsibility? On the contrary, there has been nothing but praise with regard to our judges. One reason only has been advanced for the delay—to give our people time to become familiar with the new statute and to make suggestions.

Is the legislation now under discussion so new as to take the population by surprise? This question has been openly discussed in the Canadian Parliament, in a number of our provincial legislatures and in the courts of the country for exactly 74 years. During the last ten years, in 1938-1939, it was the subject of a bill introduced by the Honourable Mr. Cahan, formerly a minister in the Conservative government of Mr. Bennett. In 1940, it was referred to the Supreme Court of Canada, before which the attorneys general of all the provinces of Canada were invited to appear. In 1946 and 1947, the same bill came up for discussion before the Privy Council, when the solicitors of the differ-

ent provinces attended. In 1945, the legislation took the form of a bill introduced in the Canadian Parliament. During the first session of 1949, another bill was presented to parliament and the only reason for its not being discussed was that the session was interrupted by the elections. Finally, in 1949, the legislation was presented to the people of Canada as part of the program of the honourable Louis St-Laurent, on whom the people seem to have conferred a mandate which leaves no room for discussion.

Can anyone seriously maintain that this legislation is too new? May I quote the words which Sir John A. Macdonald uttered in this connection in 1875:

> In regard to the matter of appeals to the Privy Council, he had always held the view that as long as we were in a state of dependence, it was important that the right of every Canadian as well as of any other British subject to appeal to the court of highest jurisdiction be maintained, although he admitted that such an appeal was at times a means in the hands of the rich to oppress the poor on account of the great expenses involved.

Since 1939 the Canadian Bar Association has held at least eight annual meetings. In the resolution passed at its 1949 meeting, seven suggestions were made, six of which were accepted by the Canadian Government and are now embodied in the bill under discussion. Among those suggestions, one of the most important is certainly the one proposing to increase the number of judges and to appoint three of them to represent Quebec. This action, which had been suggested as early as 1875 by Mr. Taschereau, who was then a member of the House of Commons, has been consistently requested by the members of the Bar in my province. It is very gratifying that this important suggestion has been accepted by the government. It will make it possible most of the time for the cases from Quebec, which are subject to a law different from that of the other provinces, to be tried and judged by a majority of judges whose legal training was acquired in terms of French law.

The Canadian Bar Association has voiced the opinion, however, that the government should make sure of the application of the *stare decisis* doctrine by the Supreme Court. Without going as far as suggesting that it should be made a section of the bill under discussion, the Canadian Bar Association would like to see this principle accepted and the decisions of the Privy Council made the law of the country and respected by the Supreme Court. This suggestion was discussed at length in another place; it was even the subject of an amendment which was defeated.

What is the meaning of the *stare decisis* doctrine? It is the doctrine whereby the principles of law laid down by the courts of last resort in the country constitute the future law of the country, so long as a statute has not provided otherwise.

There are two law systems in Canada: the unwritten law, called the Common Law, in force in nine provinces, and the written law in force in the province of Quebec. The two systems are essentially different. In the countries where Common Law is in force, such as Great Britain, and the United States, and in the great majority of Canadian provinces, precedents and judgments rendered by the highest courts of the country constitute the law. The Common Law is the unwritten law; it is the law which results from judiciary precedents. On the other hand, in countries where the written law is in force, such as France, Belgium, Germany, Italy, to name only a few, and in the province of Quebec, the law is the written law enacted by the government of the country. The courts are never called upon to enact the law, but only to construe its purport.

Owing to this tremendous difference, a judgment rendered in England by the House of Lords constitutes a part of the English law, whereas in France decisions already rendered, precedents, the jurisprudence of the highest courts are only authorities, highly respected no doubt, but never the law of the land.

These two great systems, so fundamentally different, are the two greatest legal systems followed in the world. Neither system has prevented the evolution of the law in the respective countries where it has been applied. In both cases the judicial evolution took place, although not proceeding from the same principles.

Here in Canada, lawyers and judges hold both systems in the greatest respect. No one would ever think of changing the Quebec system, nor for that matter would the people of Quebec think of changing the system adopted by the other provinces. On the contrary, everyone has a great respect and a deep admiration for these two great judicial methods. A change from one system to another would involve the most serious disadvantages; it would amount to changing the judicial culture and the legal philosophy of a whole nation.

The countries enforcing the written law follow with interest the judicial evolution of the countries enforcing common law and avail themselves of the judicial decisions

rendered there, just as the countries enforcing common law admire the legal system of the countries enforcing written law and make use of this law in formulas heretofore unknown to them. This was the case in the matter of responsibility of contributory offence and of payment by subrogation.

This fondness of the people for their system is well understandable. It is the result of centuries of experience. Even if the process is different, if the methods vary and the premises are not always identical, nevertheless, the result is often the same.

An Anglo-Saxon does not reason in the same way as a European. Neither the common law countries nor the written law countries could change systems without running the risk of delaying considerably a judicial evolution which cannot, however, be allowed to remain static. But we are not called upon to determine which is the better system. They are both excellent. It is easy to see, however, why each country is anxious to keep the judicial system under which it has developed during centuries.

Now, in all the common law countries the *stare decisis* doctrine is accepted and constitutes the law of the land, while in the written law countries, the jurisprudence, whatever may be its value, never constitutes the law of the land. Everybody knows that, under section 92 of the British North America Act, the provinces alone hold jurisdiction, at least in matters of civil and commercial law and in matters of procedure. These particular matters come under the exclusive jurisdiction of the provinces and no governmental authority can touch these laws, let alone change the system, unless the provincial governments choose to do so themselves.

If this bill were to force the Supreme Court to accept the *stare decisis* doctrine, or in other words, to make the Privy Council jurisprudence the law of the land, it would be in direct violation of the law of the province of Quebec, which alone has the right to make of this jurisprudence a law which the Supreme Court would necessarily have to follow. Such a method would be inconsistent with the Quebec law and would constitute an encroachment upon the rights which clearly and undeniably belong to the provinces. Let me point out, moreover, that Quebec is not the only one concerned. If this province alone holds the right to bring about such a judicial change, it is nonetheless true that in the nine other provinces of Canada, the provincial legislatures have the exclusive right to change the law by which they are presently governed. If, in a mattter of civil law, of commercial law or of procedure, one of them wanted to adopt the written law doctrine rather than the common law doctrine now prevailing, it could not do so without coming into conflict with this section which it is proposed to include in the Supreme Court Act. This obstacle would be the direct result of a federal encroachment upon rights which are exclusively provincial and would, in my opinion, constitute one of the worst encroachments upon these rights.

Let us leave to the Supreme Court the care of deciding the law to be applied in each of the cases in which it is called upon to give a decision. In the case of one of the nine provinces following the common law system, it will apply the law of the land and follow the *stare decisis* doctrine; in the case of the province of Quebec, however, it will have to consider that, while the Privy Council jurisprudence constitutes a very respectable opinion, it is not the law of the province of Quebec.

There is no reason to be alarmed about cases of constitutional law. We derive this right exclusively from the English law to which indubitably the *stare decisis* doctrine applies throughout the country.

Our Supreme Court has applied this principle in the matter of criminal law. Indeed, if we review the jurisprudence of our Supreme Court, which has been our tribunal of last resort in criminal matters since 1930, it is readily seen that it has always applied the *stare decisis* principle and followed the English jurisprudence whenever there was no provision in the Criminal Code which would permit the settlement of the case under review.

Some have expressed doubt on the basis of a statement made by the honourable Chief Justice of the Supreme Court. May I say that his statement was fully in accord with the doctrine of the Privy Council. In a criminal case from the province of Quebec involving seditious libel, a crime coming under our Criminal Code, the Chief Justice stated that he was not bound to follow certain English jurisprudence. This agrees perfectly with a judgment of the Privy Council in the case of Wallace *vs* The King in which the Chief Justice of the Privy Council said:

> The fact remains, however, that it is in the criminal code of the Gold Coast Colony and not in English or Scottish cases that the law of sedition for the colony is to be found.

Let the judges of our Supreme Court determine the application of the laws of the land. Besides, the object of the bill under discussion is not to change the law of the country, but simply to substitute a Canadian tribunal for an English tribunal in relation to Canadian matters.

If we carry the argument one step further, it will be found that to force the Supreme

Court to follow the *stare decisis* doctrine would mean a drastic change in the powers of the tribunal of last instance. In fact, the Privy Council, being a prerogative court, is not subject to the *stare decisis* doctrine; the Supreme Court, on the contrary, will be subject to it in cases to which the doctrine applies. I wonder why we should impose upon the Supreme Court an obligation to which the Privy Council is not bound.

Our Supreme Court is not a prerogative court; it will, therefore, be bound to try cases in accordance with the law of the land without being forced to apply its doctrine even to cases to which it is not applicable. It is my opinion, therefore, that this bill constitutes a tremendous improvement, inasmuch as Canadian cases in the future will be referred to a court bound by law to respect the law of the land and accept the *stare decisis* doctrine in cases to which it applies.

It would seem to me improper, I would even say disrespectful to say that the judges upon whose shoulders it is intended to lay these responsibilities must respect the law. In my opinion, such a statement would appear in the eyes of the Canadian people and the jurists of foreign countries as a want of confidence. I know of no more appropriate way of binding the judges to respect the law than the oath which every one of them must take when assuming his duties.

I for one am satisfied that our Supreme Court is made up of able, honest and independent judges; I have no doubt at all that every one of them will respect the oath he has taken and will continue in future to respect the law governing each case to be tried before him.

In conclusion, I wish to express again my gratification that our country should finally pass an Act which means the disappearance from Canada of a very important relic of colonialism. I am delighted that my country should ordain its own judicial independence.

I am not in the least afraid that this step toward a more complete self-government will be regarded as an indication of separation. The bonds which link us to the United Kingdom are such that, embedded in the hearts of all Canadians, they do not have to be sealed with a seal which is now out of harmony with our self-government.

Canada wishes to attain full sovereignty; the friendship and admiration we feel for Great Britain will not grow if Canada cannot attain self-government on account of certain bonds which prevent her from attaining her independence and from raising herself to the status which her national pride calls for. Neither chains nor bonds will ever foster or cement friendship. The fewer the bonds, the deeper and the more sincere friendship will become, and the closer will be the co-operation between Canada and Britain, for the protection of the interests of both countries.

Undoubtedly we shall remember the Privy Council with respect and gratitude, even though we shall consider the day the law is passed as one of the most brilliant in our march toward complete self-government, a day on which the perspicacity of British and Canadian statesmen who united their might to lead our country toward self-government, shall show itself in the greatest harmony.

Let us hope the day is not too far off when every Canadian, whatever his origin or belief, shall have faith in the future of his country, the kind of faith which moves mountains and whose strength is the best guarantee of the brilliant future which every true Canadian wishes for his country.

Hon. Antoine J. Leger: Honourable senators I may be one of the few who at the present time are opposed to the abolition of appeals to the Privy Council. For more than three-quarters of a century Canada and most of its provinces have enjoyed the prerogative of appealing to His Majesty's Privy Council from our provincial and federal courts of justice. We must admit that in the large majority of cases the decisions rendered by the Privy Council have been fair, learned, well informed and judicious, and as such have helped greatly to settle the law of this country, to pacify many rancours, and often to re-establish the peace and tranquility interrupted by prejudice; and, in constitutional matters, to create a better feeling between Canada and its provinces. I fail to see where the Privy Council has done any injustice to anyone in any of its decisions in Canadian cases. It has always acted as an adviser to the King and based its judgment upon expediency, law, equity and fairness.

Of course, its judgments have not pleased all litigants. In that respect our Canadian courts have not fared much better, as is evidenced by the number of appeals from their decisions, although the privilege of appeal has never been abused.

There are those who regard appeals to the Privy Council as indicative of humiliation or submission on the part of Canadians, and hence it is claimed that these appeals must be abolished. If abolition will serve to enhance Canada's prestige and national pride, it may be a move in the right direction. But on the other hand, if it does nothing of the

sort and is likely to have consequences detrimental to us, it is neither practical nor desirable. The Privy Council is in its way a unique institution, and one which has played an important part in shaping the destiny of the British Empire. The right of recourse to its decisions is neither a disgrace nor an acknowledgment of our own inferiority, but rather a privilege which we must maintain. It is a protection to the minority. In a country like ours, composed of different elements, of minority rights, and of provincial and federal rights that are liable to clash at any moment, the privilege of appeal to such a tribunal as the Privy Council is one which we must preserve.

Some argument has been advanced that the Privy Council is not familiar with our country and that this has caused some of its decisions to be questionable. Well, it would be just as well to say that a medical doctor is unable to diagnose the condition of a patient whom he has never seen before. Surely a lawyer is able to give a sound opinion to a client about whom he has known nothing prior to being consulted by the client. It is the same with a jury. The less a jury knows about a case before the evidence is given, the better it is able to make a good finding after having heard the evidence. So it is with the Privy Council. That body is composed of men very learned in the law who, after having heard the arguments in a case from Canada, are able to come to a sound and, I would say, an unbiased opinion.

It was said yesterday that on the appeal from the Supreme Court's decision that women were not persons qualified to be summoned to the Senate, the Privy Council had "tortured" the British North America Act. Well, I venture to say that if there was any torturing of the Act it was not done by the Privy Council. It is true that when that Act was passed women were not qualified to be appointed senators, but an Act always speaks for the present, unless there is in the Act some direction or inference to the contrary. In the British North America Act there is no such inference or direction to the contrary. Therefore women, after the passing of the women's property acts and the granting to women of the right to vote, became under the British North America Act persons fully qualified to be appointed to the Senate. To hold otherwise would have been to hold, as it was held, that they were not "persons" under the Act. The Privy Council decided that after the removal of the impediments that had been present at the time of the passing of the Act, women were fully qualified to be summoned as senators. I feel that instead of torturing the British North America Act in this case the Privy Council rendered a good judgment.

Reference was also made to the prohibition case of 1896. In those days it was argued that the federal parliament should have jurisdiction in such a case, because this was necessary for the peace, order and good government of Canada. That argument prevailed, and the Act was said to be constitutional. Since 1896 the federal parliament has passed many acts based upon that decision, and this appears to have been especially so during the period of the late parliament.

Two main arguments appear to have been used in support of the abolition of appeals to the Privy Council—the cost of appeals and the plenitude of our Sovereignty. The honourable senator who just spoke (Hon. Mr. Bouffard) referred to the plenitude of our Sovereignty. To me the plenitude of our Sovereignty consists not in the negation of a right, but rather in the maintenance of such a right as long as we have a Sovereign to whom we can appeal, through his advisers the Privy Council, for redress from wrong or injury. The second argument was that the cost of carrying appeals to the Privy Council was heavy. I would point out that this procedure is resorted to infrequently, and only in civil matters of grave importance and in constitutional questions. I doubt very much if since confederation we have had an average of more than two appeals a year.

For these reasons, honourable senators, and particularly because it is proposed to amend our constitution, apparently without the consent of the provinces, I am at present opposed to the abolition of appeals to the Privy Council.

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

DIVORCE BILLS

SECOND READING

Hon. Mr. Haig (Acting Chairman of the Standing Committee on Divorce) moved second reading of the following bills:

Bill B-2, an Act for the relief of Margaret Helen Milne Ward.

Bill C-2, an Act for the relief of Lizzie Brogden Hibberd.

Bill D-2, an Act for the relief of Eric Jeffery Burn.

Bill E-2, an Act for the relief of Agnes McIntosh McKillop McBride.

Bill F-2, an Act for the relief of Elizabeth Audrey Beauclerk Quinlan.

Bill G-2, an Act for the relief of Thelma Blanche Collins Geick.

Bill H-2, an Act for the relief of Thora Beckingham Lock.

Bill I-2, an Act for the relief of Hugh William Lloyd.

Bill J-2, an Act for the relief of Linda Emilia Wilen Robitaille.

Bill K-2, an Act for the relief of Brina Paskin Warshaw.

Bill L-2, an Act for the relief of Thomas Hanusiak.

Bill M-2, an Act for the relief of Loretta Waugh O'Dell.

Bill N-2, an Act for the relief of Marie Rita Plante Boyer.

Bill O-2, an Act for the relief of Dorothy Waxman Sherman.

Bill P-2, an Act for the relief of Laura Cohen Kaminsky.

Bill Q-2, an Act for the relief of Annie Marion Lesnichuk Krushelniski, otherwise known as Annie Marion Lesnichuk Krush.

Bill R-2, an Act for the relief of Marjorie May Smart Birmingham.

Bill S-2, an Act for the relief of Anna Sandberg Goldbloom, otherwise known as Anna Sandberg Gold.

Bill T-2, an Act for the relief of Olive Frances Harper Morrison.

Bill U-2, an Act for the relief of Delphis Brousseau.

Bill V-2, an Act for the relief of Gladys McCarrick Bonnemer.

Bill W-2, an Act for the relief of Bernice Beverly Corry Cohen.

Bill X-2, an Act for the relief of Bessie Zinman.

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. Haig: With the permission of the house, I beg to move the third reading now.

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

BUSINESS OF THE SENATE

On the Motion to Adjourn:

Hon. Mr. Robertson: Honourable senators, before moving the adjournment, I would inform the house that in order to accommodate the honourable senator from Churchill (Hon. Mr. Crerar), who wishes to speak in the debate on the Address and who has been unavoidably absent, I have had the assistant whip keep the debate open. The honourable senator from Churchil will be here tomorrow, and I trust that we shall be able to conclude the debate at that time.

The senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, October 20, 1949

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

Prayers and routine proceedings.

BUSINESS OF THE SENATE—PANDIT NEHRU'S VISIT TO PARLIAMENT

Before the Orders of the Day:

Hon. Wishart McL. Robertson: Honourable senators, I may say for the information of the house that it is my intention to move that when we adjourn today we stand adjourned until Monday next, October 24, at 4.15 in the afternoon. I would remind honourable senators that at 3 o'clock that afternoon Pandit Nehru, the Prime Minister of India, will address a joint meeting of both houses of parliament in the House of Commons. As usual on such occasions, chairs will be provided on the floor of the house for our use. I would ask as many senators as may be in Ottawa to attend, and to be in their places not later than 2.30. After the address by Pandit Nehru the Senate will assemble at 4.15.

PRIVATE BILL

FIRST READING

Hon. Mr. Paterson presented Bill Y-3, an Act respecting the British and Foreign Bible Society in Canada and Newfoundland.

The bill was read the first time.

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

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

DIVORCE BILLS

FIRST READINGS

Hon. Mr. Haig, Acting Chairman of the Standing Committee on Divorce, presented the following bills:

Bill M-3, an Act for the relief of Edith Cohen.

Bill N-3, an Act for the relief of Ida Lindy Angel Katzman.

Bill O-3, an Act for the relief of Marian Latora Glendening Joncas.

Bill P-3, an Act for the relief of Eva Nerenberg Anger.

Bill Q-3, an Act for the relief of Josephine Teweson Paul Bero.

Bill R-3, an Act for the relief of Phyllis Elizabeth Ross Erskine.

Bill S-3, an Act for the relief of Jeannette Mathilda Seymour Oswald.

Bill T-3, an Act for the relief of George Bennett Gagnon.

Bill U-3, an Act for the relief of Bertha Rudolph Holzberg.

Bill V-3, an Act for the relief of Lillian Elizabeth Moore Bowen.

Bill W-3, an Act for the relief of Laurence Bouchard Pappini.

Bill X-3, an Act for the relief of Nana Rosenberg Taube.

The bills were read the first time.

The Hon. the Speaker: When shall these bills be read a second time?

Hon. Mr. Haig: With leave, next sitting.

SPEECH FROM THE THRONE

ADDRESS IN REPLY

The Senate resumed from Thursday, October 6, consideration of His Excellency the Governor General's Speech at the opening of the session, and the motion of Hon. Mr. Godbout for an Address in reply thereto.

Hon. T. A. Crerar: Honourable senators, let me at once express my obligation to the leader of the government in the house (Hon. Mr. Robertson) and to my other colleagues here for their kindness in letting this order remain on the order paper during my absence, which I regret, but which could not be helped. Personally I think it is important to carry on our business with dispatch, and because of that feeling my regrets are all the deeper that upon this occasion I have been the cause of a delay in the adoption of the Address.

Having said that, may I add that it was not my intention to take part in this debate. One has a sense of the futility of speeches in the difficult and uncertain times in which we live.

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Crerar: But my attitude of mind was changed by the speech delivered by my desk-mate, the honourable senator from Waterloo (Hon. Mr. Euler). He advanced for consideration by the house and by the country a proposal which I think merits further consideration, not only in this house but by the Canadian people generally.

Before I come to deal more fully with that matter, may I discharge some of the amenities that are ordinarily observed in a debate on the Address. The first, Mr. Speaker, must be congratulations to you, if your shoulders are broad enough and your back is strong enough to support these further expressions after the congratulations which, sir, have been so worthily paid to you. There is not a member in this house who doubts that your Honour will discharge the high responsibilities, which are incumbent

upon the presiding officer of this chamber, in a way that will not only merit our support but will convincingly indicate your Honour's fairness, ability and discretion. With this sentiment I know we all agree.

Some Hon. Senators: Hear, hear.

Hon. Mr. Crerar: Honourable senators, it gives me much pleasure to say a word concerning the speeches of the mover (Hon. Mr. Godbout) and the seconder (Hon. Mr. Petten) of the motion for an Address in reply to the gracious speech delivered by His Excellency the Governor General. As an old member of parliament, I am particularly glad to welcome the new Senator from Quebec who so eloquently moved the adoption of the Address.

Some Hon. Senators: Hear, hear.

Hon. Mr. Crerar: It is a matter of regret that political fortunes in his native province have not always been kind to him, but his sterling character and fine spirit of Canadianism have evoked response from Canadians far beyond the boundaries of that province. In an address which was aptly phrased and splendidly delivered, the honourable senator from Bonavista, in Newfoundland—I am always in doubt as to whether I pronounce that name correctly—very ably seconded the motion.

Some Hon. Senators: Hear, hear.

Hon. Mr. Crerar: May I say a word of welcome to our new colleagues who are the first to come to the Senate from Newfoundland. Few events in the history of Canada have carried with them more significance for the future than the union of Newfoundland with Canada. I was personally delighted to see it come about. The island has always held a charm for me, although I must confess I have only viewed it from the decks of passing ships. That is a shortcoming which I hope to make good before long. Newfoundland, with its rugged people and rugged territory, stands as a strong bastion at the eastern approaches to our mainland. I am convinced that the people of our new province will bring to the great experiment that is the Dominion of Canada much that will benefit our country as a whole.

I must also say a word of welcome to those new senators who were colleagues of mine in former days in another place. The honourable gentleman from Lunenburg (Hon. Mr. Duff) has been a member of this house much longer than I have, and I know he will agree with me that in this chamber there is a more serene atmosphere than in another place and an absence of political storms. This, I say in all seriousness, is as it should be. I am sure the intention of the wise men who framed the constitution of Canada was that the Senate should be a place where serenity of outlook and clarity of mind contributed to proper consideration of the legislative measures that come before parliament.

Now may I say a word about the Speech from the Throne itself? To me it had the great merit of being clear and concise. I am not among those who believe that it is wise to take fifteen words to say what one can say in eight. I repeat that the speech is clear. Anyone can understand it, and I venture to say that it has been well received throughout the country. It forecasts the legislation that the government intends to bring down. I do not intend to discuss that legislation today. One important bill is now before us. The remaining parts of the legislative program forecast in the speech will in due course become before us, and when they do we shall consider them.

But I wish to direct attention for a few moments to what appears to me to be the most important statement in the Speech from the Throne. It is contained in two paragraphs that deal, not with our domestic concerns, but with the much broader international picture. In one of its paragraphs the speech says this:

> The hopes held four years ago for world peace and security under the aegis of the United Nations have not yet been realized. The menace of Communist totalitarianism continues to threaten the aspirations of men of good will. It is, however, gratifying that the North Altantic Treaty has been brought into effect and is already proving its worth in lessening the risks of armed aggression.

The implications of that statement are, I think, clear and very far reaching; and we need to look at them, I suggest, with clear eyes and a clear mind. The statement calls attention to the nature of the struggle going on in the world today. For, let us not deceive ourselves, a tremendous struggle is going on and the world is at one of the most important cross-roads of its long history. Very often we look upon this in a sort of superficial way as a struggle for power between Soviet Russia and the United States. Various nations are gathered around each of these great antagonists, so that the world is divided into two opposing halves. And I think it is important that we understand clearly what lies behind this struggle. In one sense, so far as Russia is concerned, I am convinced it is a struggle for power. But deeper down, it is a struggle between two ideals and two conceptions of life. Reduced to its simplest elements, it is a struggle in which decency and order, the principles of life and freedom based on the Christian ethic, are ranged on one side, in opposition to a

gross form of materialism that would submerge the individual, destroy the individual human soul and make a man a mere cog, a slave in a great governmental machine.

Some Hon. Senators: Hear, hear.

Hon. Mr. Crerar: That is the essence of this struggle. We must never lose sight of that fact, for if we do we may think that this is merely a struggle between contending forces, some with atom bombs and others without them. If we are to comprehend clearly what is happening in the world at present we must understand the differences which exist between the contenders in this great contest.

It is interesting to make a world survey. The recent terrible world war no doubt had a terrific effect upon not only the economic life of the communities engaged in it, but upon the moral and spiritual forces of the world.

Today we see Russia triumphant in the East; we see the spread of this evil thing called Communism, and what flows from it, over all the earth. Even in democratic countries such as those of western Europe, the United States and our own land there are forces willing to become the tools of a foreign power in order to strengthen and bolster up that power in its struggle throughout the world. So these evil forces are not confined alone to Russia and her satellite countries. The nations of western Europe are slowly recovering after the paralysing blows of the war. Several of the countries east of the so-called Iron Curtain—once democracies, in the sense that we understand that term—are now completely under the control and direction of the gentlemen in the Kremlin.

What is happening in Czechoslovakia at present is not without significance. That country was once one of the most advanced in Europe; its government believed in and practised the virtues of freedom and liberty. But now Czechoslovakia has a satellite government, taking its orders from Moscow, and destroying not only all freedom and liberty, but the possibility of their revival. The struggle with the churches going on at this very moment in that country clearly indicates the determination of the rulers, in obedience to their Moscow masters, to destroy one remaining medium through which the lamp of freedom and liberty might be kept burning.

Let us consider the position of China. Some misguided people in this country think that the triumph of the communists in China might be a good thing. Let them not be deceived. The advance of communism there means that that great eastern country—great in natural wealth and in population—is now under the influence of Russia. Other disturbances in the far eastern countries demonstrate that the issue is not a simple one. It is part of a supreme struggle throughout the world for what is best in human life; it is part of a struggle for control of the soul of mankind.

Hon. Mr. Duff: Hear hear.

Hon. Mr. Crerar: It is saddening to me that at the moment when we are threatened with this evil influence the countries opposed to it are troubled by strife and contention. Great Britain, the originator and for generations the guardian of freedom throughout the world, will presently be riven in an electoral contest that promises to be one of the most bitter in her history. France, another great leader in the democratic way, is divided. For the past ten days the president of that country has been trying to find a prime minister to form a government. The United States, with all its power and wealth, is distracted by widespread strikes which for the moment are paralysing its economy. I say in all seriousness, honourable senators, that these things do not pass unnoticed in the citadel of communism in Russia. They simply confirm the faith of dictators who have always maintained that sooner or later the system of freedom was bound to break down.

I believe there are lessons for us to learn from this supreme struggle. If I can, let me impress upon this body that what is going on is a mighty contest between good and evil. History gives us some lessons on what happens when evil triumphs in the world, though the attacks of evil were never before waged on the present scale. I should like to recall an event in history which has had profound effect on the world down through the centuries since it happened, the invasion of western Asia by Genghis Khan in the early part of the thirteenth century.

Now Genghis Khan was a tribal leader away out on the steppes of Mongolia. A supreme military genius, in his day he overran all the nearby territory and then led his Mongolian hordes to the west. Western Asia, Persia, Constantinople and Russia were the most civilized countries of those days. Persia had cities with libraries and schools, and professors who taught the sciences and arts. It is interesting to note that at that time Kiev, the seat of the major prince of Russia—and Russia was then a pretty democratic country—was a notable centre of learning; it had a university, schools, libraries and all accessories for the advance of civilization. But when the Mongolian hordes overran that country they destroyed every city; they put to flames every library and university. The native races were driven back into the forests and the lake country where the

cavalry of Genghis Khan could not pursue. For two hundred and fifty years that blight rested on the world; it is one of the great events which have shaped world history. Evil forces of much the same kind have joined today. I sometimes think the world is on the edge of a precipice, with the possibility, which none should ignore, that it may fall into despair, misery and chaos. It is that consideration I would advance as a reason for supporting the suggestion made by my colleague from Waterloo (Hon. Mr. Euler).

There is another paragraph in the Speech from the Throne which I should like to read to you:

> It is the view of my ministers that the economic health and stability of the nations of the North Atlantic community must be the real foundation of their ability to resist and, therefore, to deter aggression.

With every word of that I agree. It is necessary for us to be strong. It is necessary for us to do everything we can to build our strength economically. But something more is needed. We must reinforce in every way the moral and spiritual forces in this country and throughout the world, because it is only through their power that these tremendous issues can be finally and rightly decided. I sometimes think that we tend to ignore the importance of the great moral and spiritual values. Some people seem to think that they can get a passport to Heaven by writing a cheque. Others hold that the way to reinforce the noble ideals of freedom and liberty is by cash payments to people to support them. I do not decry the value of cash payments to relieve distress, but it is a supreme error to believe that you can, in any mercenary fashion, buy support for moral and spiritual principles. And freedom and liberty are moral and spiritual principles. There must be something within the individual himself which will respond to the demand to preserve them. I have no patience with those who argue that unless we establish in this country a new order of society our people will go the way of the Russians. Consider for a moment conditions in Russia and its satellite countries. Put aside for the time being those aspects of their lives which relate to the freedom of the individual, and consider solely the material aspect. Is the lot of the individual citizen in Russia or Czechoslovakia or any other country which has adopted the same system, China included, any better than that of the individual Canadian? Are we not much better off? We know that, even from a materialistic standpoint, the argument is false.

In his speech the honourable senator from Waterloo proposed, not a new thing but a rather bold thing—the promotion if possible of a federation of the freedom-loving countries, an idea that has rceived very little attention in Canada. My honourable friend's speech was a good one. I listened to it and I read it afterwards. I regret that it received so little attention. On the same day my honourable friend from Blaine Lake (Hon. Mr. Horner) made some facetious remark about the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck), and the honourable member from Rosetown (Hon. Mr. Aseltine) alluded in a humorous way to the matter of adjourning to listen on the radio to reports of a baseball game. I do not criticize the press, but it is a matter for regret that, while these facetious references were featured in the newspapers, the important suggestion expounded by the honourable member from Waterloo was passed over almost entirely.

I wish to say a word in support of this project of federation. As the honourable member from Waterloo stated, it was considered in both branches of the Congress at Washington, and today it is under discussion in Europe by the very important group of men who met at Strassburg. The conception is not a new one. Canada, Australia and the United States are federations. Russia too is a federation; it is known and describes itself as "the Union of Soviet Socialist Republics".

I know there are many difficulties in the way of realizing this plan, but would it not be a good thing for us to examine and discuss it, to see what are its merits, to promote among Canadians a recognition that they are part of a great world community, and that under modern conditions the world has become so small a place that we are no longer secure from attack, even from very distant countries? I believe there would be value in such a discussion, and therefore I venture the hope that the honourable gentleman from Waterloo will bring the matter more formally before this house. Even if we do not adopt a resolution in favour of the proposal, let us, as I have said, examine and consider it on its merits.

I admit at once that Canada must be strong. I believe that we shall have to face, probably for many years, increasing expenditures for defence. With all my heart I loathe war, but I am convinced that the only way to resist aggression is that set out in the Speech from the Throne. We must be strong; we must be able to make our fair contribution to our associates, in the western pact and elsewhere, in meeting this menace of aggression and fighting it, if necessary, by actual blows. Few Canadians will disagree with that conclusion.

While we have to do all that, let us also try to reinforce in every way possible our

moral and spiritual ideals. These are the surest armour we can have against the evil things that are facing us in the world today. If we do this we may look forward, even perhaps in the days of some of us here, to a future described by Lord Tennyson nearly a century ago. With far-seeing vision he looked forward to a time when conflicts between nations would cease and the world would advance,

> Till the war drum throbbed no longer
> and the battle flags were furled
> In the Parliament of Man, the Federation
> of the world.

The Address was adopted.

DIVORCE BILLS

SECOND READINGS

Hon. Mr. Haig moved the second reading of the following bills:

Bill Y-2, an Act for the relief of Marion Lillian Gargan Thomson.

Bill Z-2, an Act for the relief of Mary Piekos Rynski.

Bill A-3, an Act for the relief of Victor Chryssolor.

Bill B-3, an Act for the relief of Blanche Ruth Serokey Smith.

Bill C-3, an Act for the relief of Raymonde Belanger **Skaife.**

Bill D-3, an Act for the relief of Elizabeth Maud Gwendolen Tobi Hearns.

Bill E-3, an Act for the relief of Ruby Muriel Keith Gray.

Bill F-3, an Act for the relief of Laurel Jeanne MacGregor Thomson.

Bill G-3, an Act for the relief of Edith Sara Hamilton Warlund.

Bill H-3, an Act for the relief of Donald Duncalf Birchenough.

Bill I-3, an Act for the relief of Joan Gertrude Fox Corbett.

Bill J-3, an Act for the relief of Richard William Henry Wark.

Bill K-3, an Act for the relief of Eileen Dorothy Richards Turner.

Bill L-3, an Act for the relief of Janey Beryl MacPhail Shuttleworth.

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. Haig: With leave of the Senate, I move that they be read the third time now, because I wish to get them to the committee in the other place along with some divorce bills that we have already passed.

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

The Senate adjourned until Monday, October 24, at 4.15 p.m.

THE SENATE

Monday, October 24, 1949

The Senate met at 4.15 p.m., the Speaker in the Chair.

Prayers and routine proceedings.

EXPORT AND IMPORT PERMITS BILL

FIRST READING

Hon. Mr. Robertson presented Bill Z-3, an Act to amend the Export and Import Permits Act.

The bill was read the first time.

NATIONAL TRADE MARK AND TRUE LABELLING BILL

FIRST READING

Hon. Mr. Robertson presented Bill A-4, an Act respecting the application of a National Trade Mark to commodities, and respecting the true description of commodities.

The bill was read the first time.

PANDIT NEHRU—ADDRESS TO PARLIAMENT

MOTION

Hon. Wishart McL. Robertson: Honourable senators, as you are aware we have just participated in a momentous and historic occasion. I now beg to move:

That the Address by Pandit J. Nehru, Prime Minister of India, to members of both Houses of Parliament, on this day, October 24, 1949, and the other addresses delivered on the occasion, 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.

Hon. Mr. Haig: I take much pleasure in seconding the motion.

The motion was agreed to.

(*See appendix at end of today's report.*)

BUSINESS OF THE SENATE

On the orders of the Day:

Hon. Mr. Robertson: Before the business of the house is proceeded with, I would inform honourable senators that I have asked those who are interested in the first two items on our Order Paper to postpone speaking on them today, so that we may adjourn early this afternoon. Honourable senators will have observed that the Standing Committee on Banking and Commerce is called to meet at 4.30 this afternoon, when it is of the utmost importance that the committee hear the evidence of certain witnesses in connection with the Bankruptcy bill. I hope tomorrow afternoon that we may proceed with items Nos. 1 and 2 now on the Order Paper.

DIVORCE BILLS

SECOND READINGS

Hon. Mr. Haig (Acting Chairman of the Standing Committee on Divorce) moved second reading of the following bills:

Bill M-3, an Act for the relief of Edith Cohen.

Bill N-3, an Act for the relief of Ida Lindy Angel Katzman.

Bill O-3, an Act for the relief of Marian Latora Glendening Joncas.

Bill P-3, an Act for the relief of Eva Nerenberg Anger.

Bill Q-3, an Act for the relief of Josephine Teweson Paul Bero.

Bill R-3, an Act for the relief of Phyllis Elizabeth Ross Erskine.

Bill S-3, an Act for the relief of Jeannette Mathilda Seymour Oswald.

Bill T-3, an Act for the relief of George Bennett Gagnon.

Bill U-3, an Act for the relief of Bertha Rudolph Holzberg.

Bill V-3, an Act for the relief of Lillian Elizabeth Moore Bowen.

Bill W-3, an Act for the relief of Laurence Bouchard Pappini.

Bill X-3, an Act for the relief of Nana Rosenberg Taube.

The bills were read the second time.

THIRD READINGS

The Hon. the Speaker: When shall these bills be read the third time?

Hon. Mr. Haig: With the permission of the house, I beg to move third reading now.

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.

APPENDIX

ADDRESS

of

PANDIT JAWAHARLAL NEHRU

Prime Minister of India

to

MEMBERS OF THE SENATE AND OF THE HOUSE OF COMMONS AND THE GENERAL PUBLIC

in the

HOUSE OF COMMONS CHAMBERS, OTTAWA

on

MONDAY, OCTOBER 24, 1949

The Prime Minister of India was welcomed by the Right Honourable L. S. St. Laurent, Prime Minister of Canada, and thanked by the Honourable Elie Beauregard, Speaker of the Senate, and the Honourable W. Ross Macdonald, Speaker of the House of Commons.

Right Hon. L. S. St-Laurent (Prime Minister of Canada): Mr. Prime Minister, fellow members of the Houses of Parliament: Our country is indeed honoured to have as its guest on this occasion, the Prime Minister of India, Pandit Nehru. As Prime Minister of a sister member nation of the commonwealth, I find it a most welcome and agreeable duty to extend to you Mr. Nehru, a very warm welcome to this parliament and to Canada. You come to us both as one whose deeds and thoughts have commanded widespread attention in these troubled times and as a most distinguished leader of that great portion of mankind which constitutes the population of India.

I extend also a cordial welcome to the sister of our distinguished guest, Mrs Pandit, who at present represents India as ambassador to the United States, and to Mr. Nehru's daughter, Mrs. Gandhi, whom it is also a pleasure to have with us on this occasion.

Just six months ago I was happy to announce in this house the understanding reached in London with regard to the continuance of India as a full member of the commonwealth in the event that India should become a republic. It was not only the peoples of the commonwealth who had waited to learn the outcome of the discussions; others were watching, too; for much hung in the balance for the three new Asian members which as separate units had joined the family of the Commonwealth of Nations in 1947. Each was heir to an ancient civilization. Each was inspired by a strong national consciousness and by a great vision of the future as a member in its own right of the international community. Each, moreover, was keenly aware of problems at home and of difficulties in the world at large. Each felt that it had a contribution to make in its own way, suited to the genius as well as to the needs of its people.

We in Canada feel that we have been able to achieve some understanding of these things, distant though we are from the great Indian sub-continent. When India, the largest and most populous of these new states, reached the stage where its desires with regard to its constitution prompted it to settle its future status in relation to other commonwealth countries, most people in Canada realized, I think, that the constitution of India was of course a matter for the Indian people to decide for themselves. At the same time we felt that any reasonable arrangement providing for the full membership of India in the commonwealth, as a republic, if that form of constitution should be India's wish, would be welcome.

We Canadians were glad to learn that our association with India as a sister nation in the commonwealth was to continue, and, we

hoped, was to become more direct and more mutually advantageous. We are happy that friendship, good will and understanding exists between India and Canada. We are conscious that we share with the government and people of India an unswerving desire for a peaceful world in which nations, both great and small, may pursue the well-being of their peoples.

On behalf of the members present and of the people of Canada generally, I venture to voice the hope that Mr. Nehru will carry back to India a message of greeting and warmest good wishes from us all.

We know of the signal courage, devotion and loyalty with which Mr. Nehru has served and continues to serve the people of India, and of the statesmanship and nobility of thought which he has brought to bear upon the great questions of human affairs in the councils of not only India but the commonwealth and the United Nations. We pray that he may long be spared to continue with his task and to see his hopes bearing fruit.

Fellow members of the houses of parliament, I present to you the Prime Minister of India, Pandit Jawaharlal Nehru.

Pandit Jawaharlal Nehru: I am grateful to you, Sir, and the honourable members of this parliament for the honour you have done me in inviting me to address you, and for the warm welcome which you have been good enough to extend to me. I am happy to be in the capital of this great dominion and to bring to you the greetings and good wishes of the government and people of India.

During the past twelve months it has been my privilege to be associated in important discussions with your Prime Minister, Mr. St. Laurent, and your Secretary of State for External Affairs, Mr. Pearson. We have had to consider many difficult problems together, and I am revealing no secret when I say that our point of view and Canada's were identical or very near to each other on almost every one of them. In particular I should like to refer to the spirit of understanding shown by your government and your representative at the meeting of Dominion Prime Ministers, held in London last April, in the determination of our future relationship with the Commonwealth. That spirit is in the great tradition of your leaders, Sir John Macdonald, Sir Wilfrid Laurier, and your last Prime Minister, Mr. Mackenzie King, who happily is still with us. That tradition has been one of association with the Commonwealth, in complete freedom, unfettered by any outside control. Canada has been a pioneer in the evolution of this relationship and, as such, one of the builders of the Commonwealth as an association of free and equal nations. India, as you know, will soon become a republic, but will remain a member of the Commonwealth. Our past co-operation will not, therefore, cease or alter with the change in our status. On the contrary, it will have the greater strength that common endeavour derives from a sense that it is inspired and sustained by the free will of free peoples. I am convinced that this development in the history of the Commonwealth, without parallel elsewhere or at any other time, is a significant step towards peace and co-operation in the world.

Of even greater significance is the manner of its achievement. Only a few years ago Indian nationalism was in conflict with British imperialism, and that conflict brought in its train ill will, suspicion and bitterness—although, because of the teaching of our great leader, Mahatma Gandhi, there was far less ill will than in any other nationalist struggle against foreign domination. Who would have thought then that suspicion and bitterness would largely fade away so rapidly, giving place to friendly co-operation between free and equal nations? That is an achievement for which all those who are concerned with it can take legitimate credit. It is an outstanding example of the peaceful solution of difficult problems, a solution which is a real one because it does not lead to other problems. The rest of the world might well pay heed to this example.

Canada is a vast country and her extent is continental. She faces Europe across the Atlantic, and Asia across the Pacific. Past history explains your preoccupation thus far with European affairs. Past history also, as well as geography, explain the depth and intimacy of our interest in Asia. But in the world of today, neither you nor we can afford to be purely national or even continental, in our outlook; the world has become too small for that. If we do not all co-operate and live at peace with each other, we stumble on one another and clutch at each other's throats.

We talk of the East and the West, of the Orient and the Occident; yet these divisions have little reality. In fact the so-called East is geographically the West for you. During the last two or three hundred years some European nations developed an industrial civilization and thus became different in many ways from the East, which was still primarily agricultural. The new strength that technical advance gave them added to their wealth and power, and an era of colonialism and imperialism began during which the greater part of Asia was dominated by some countries of Europe. In the long perspective of history this was a brief period, and already we are seeing the end of it. The imperialism which was at its height during the last century-and-a-half has largely faded away, and lingers in only a few countries today.

There can be little doubt that it will end in these remaining countries also; and the sooner it ends the better for the peace and security of the world.

Asia, the mother of continents and the cradle of history's major civilizations, is renascent today. The dawn of its newly acquired freedom is turbulent because, during the past two centuries, its growth was arrested, frustration was widespread, and new forces grew up. These forces were essentially nationalist, seeking political freedom; but behind them was the vital urge to better the economic condition of the masses of the people. Where nationalism was thwarted there was conflict, as there is conflict today where it is being thwarted, for example in South-East Asia. To regard the present unsettled state of South-East Asia as a result of or as part of an ideological conflict would be a dangerous error. The troubles and discontents of this part of the world, and indeed of the greater part of Asia, are the result of obstructed freedom and dire poverty. The remedy is to accelerate the advent of freedom and to remove want. If this is achieved Asia will become a powerful factor in stability and peace. The philosophy of Asia has been and is a philosophy of peace.

There is another facet of this Asian situation to which reference must be made. The so-called revolt of Asia is a striving of the legitimate pride of ancient peoples against the arrogance of certain western nations. Racial discrimination is still in evidence in some countries, and there is still not enough realization of the importance of Asia in the councils of the world.

India's championship of freedom and racial equality in Asia, as well as in Africa, is a natural urge of the facts of geography and history. India desires no leadership or dominion or authority over any other country. But we are compelled by circumstances to play our part in Asia and in the world, because we are convinced that unless these basic problems of Asia are solved there can be no world peace. Canada, with her traditions of democracy, her sense of justice and her love of fair play, should understand our purpose and our motives, and should use her growing wealth and power to extend the horizons of freedom, to promote order and liberty, to remove want, and thus to ensure lasting peace.

India is an old nation, and yet today she has in her something of the spirit and dynamic quality of youth. Some of the vital impulses which gave strength to India in past ages inspire us still, and at the same time we have learned much from the West in social and political values, in science and technology. We have still much to learn and much to do, especially in the application of science to problems of social well-being. We have gained political freedom, and the urgent task before us today is to improve rapidly the economic conditions of our people, and to fight relentlessly against poverty and social ills. We are determined to apply ourselves to these problems and to achieve success. We have the will, the natural resources and the human material to do so, and our immediate task is to harness them for human betterment. For this purpose it is essential for us to have a period of peaceful development and co-operation with other nations.

The peace of one country cannot be assured unless there is peace elsewhere. In this narrow and contracting world, war and peace and freedom are becoming indivisible. Therefore it is not enough for any one country to secure peace within its own borders; it is necessary also that it should endeavour to its utmost capacity to help in the maintenance of peace all over the world.

The world today is full of tension and conflict. Behind this tension lies an ever-growing fear, which is the parent of many ills. There are also economic causes which can only be remedied by economic means. There can be no security or real peace if vast numbers of people in various parts of the world live in poverty and misery. Nor indeed can there be a balanced economy for the world as a whole if the undeveloped parts continue to upset that balance and to drag down even the more prosperous nations. Both for economic and for political reasons, therefore, it has become essential to develop these undeveloped regions and to raise the standards of their people. The technical advance and industrialization of these regions will not do any injury to those countries which are already highly industrialized. International trade grows as more and more countries produce more goods and supply the wants of mankind. Our industrialization has a predominantly social aim, to meet the pressing wants of the great majority of our own people.

This age we live in has been called the atomic age. Vast new sources of energy are being tapped; but men's thoughts, instead of being in terms of service and betterment of mankind, turn to destructive purposes. Destruction by these new and terrible weapons of war can only lead to unparallelled disaster for all concerned; yet people lightly talk of war and bend their energies to preparing for it. A very distinguished American said the other day that the use of the atom bomb might well be likened to setting a house on fire in order to rid it of some insects and termites.

Dangers undoubtedly threaten us, and we must be on our guard against them and take all necessary precautions. But we must always remember that we do not serve or protect mankind by destroying the house in which it lives and all that it contains.

The problem of maintaining world peace and of diverting our minds and energies to that end thus becomes one of paramount importance. All of us talk of peace and the desirability of it, but do we all serve it faithfully and earnestly? Even in our struggle for freedom, our great leader taught us the path of peace. In the larger context of the world we must inevitably follow that path to the best of our ability. I am convinced that Canada, like India, is earnestly desirous of maintaining peace and freedom. Both our respective countries believe in democracy and the democractic method, and in individual and national freedom. In international affairs, therefore, our objectives are similar and we have found no difficulty thus far in co-operating for the achievement of these aims. I am here to assure the government and people of Canada of our earnest desire to work in co-operation with them for these ends. The differences that have existed in our minds about East and West have little substance today, and we are all partners in the same great undertaking. I have little doubt that in spite of the dangers that beset the world today, the forces of constructive and co-operative effort for human betterment will succeed, and the spirit of man will triumph again.

I thank you again, Sir, and the honourable members of this parliament, who shoulder a great responsibility, for your friendly and cordial welcome and your good wishes for my country. I realize that this welcome was extended to me not as an individual but as a representative and a symbol of my nation. I am sure that my people will appreciate and welcome the honour you have done them, and will look forward to fruitful harmony of endeavour between our two countries for the accomplishment of common tasks.

(*Translation*):

Before I conclude, Mr. Prime Minister, I should very much like to say a few words in French. I am sorry I am not proficient enough in that beautiful language to speak at length, but I assure you we have a deep liking for it.

To you, French Canadians, I convey the congratulations and warm wishes of the people of India, to which I add my own.

(*Translation*):

Hon. Elie Beauregard (Speaker of the Senate): Mr. Prime Minister of India, since you chose to conclude your brilliant speech in the language spoken by three to four million Canadians of French origin, may I on their behalf express their keen pleasure, and offer you in French a token of their admiration.

Your accession to power coincides with India's entry into the large democratic family of the universe. Thanks to you, your great and diversified country, so rich in science, poetry and storied legend, peacefully takes its place within the council of sovereign nations. At the same time, you are resolutely entering into history.

You come from the Orient, whose patient philosophy knows the art of solving the most complex situations, an art which enabled you to sever your century-old union with the British Empire and, almost at the same time, spontaneously to renew a link with the Commonwealth.

At this very time of your visit among us, we, under different circumstances and in the normal course of our development, are peacefully making an almost identical gesture. In a few days Canada, whose stature has grown during the last two wars without, however, leaving the orbit of the Commonwealth, will be solely responsible for its own destiny.

You bring the West a message of peace, of peace based on the equality of all men before God, before the law and before human conscience. You nevertheless wish India to become aware of its power, first of its economic power and then of the military power needed to protect that economic power.

You already know that America, whose mission is at present burdened with such a heavy responsibility, joyfully welcomes your message. Thanks to the high standard of living created by the industry of our neighbouring republic, the extremely varied races which are its components, merged together as though in a crucible, have become a proud and powerful nation. In this country also, we believe that the standard of living constitutes the best means of defence against the most pernicious "isms". Your country, under the impetus it is certain to receive from you, so plentifully endowed with manpower and natural resources, can rightfully aspire to full economic development.

Because of your academic training and your public life, you belong to two civilizations. Both will benefit from the leading role which your high office will call upon you to play in world affairs. This is betokened by the eloquent speech you have just delivered before both Houses of Parliament, and that is the wish we express.

It is a great honour for me, Mr. Prime Minister, to express, on behalf of both the Senate of Canada and the French-speaking

Canadians, the pleasure we have in greeting the first citizen of one of the greatest and oldest countries in the world, and the hope that your brief stay among us will serve to multiply the relations that must be maintained between two people whose economies are complementary, and who are both genuinely peace-loving.

(*Text*):

Hon. W. Ross Macdonald (Speaker of the House of Commons): Pandit Nehru, it is indeed a great honour to me, the Speaker of the House of Commons of Canada, to extend to you, the Prime Minister of India, the sincere appreciation of the members of our parliament for the eloquent and enlightening address which you have delivered this afternoon.

We realize that the words which you have spoken before the few hundred men and women who have had the good fortune to be present and to have heard you and to have seen you were in fact addressed to all the people of Canada. Thousands of Canadians this afternoon have not only heard your speech but also have heard the radio commentators describe this history-making scene in the Canadian House of Commons, when the Prime Minister of an ancient country of the east, was received as a friend by the Prime Minister of a new country of the West —both countries being self-governing nations and forming part of one great peace-loving community, the Commonwealth of Nations.

Kipling said:

> Oh, East is East, and West is West, and never the twain shall meet.

However, it is too often forgotten that he also said:

> But there is neither East nor West, Border, nor Breed, nor Birth,
> When two strong men stand face to face, though they come from the ends of the earth!

This afternoon we have seen the Prime Minister of India and the Prime Minister of Canada, two strong men from opposite ends of the earth, standing face to face on the floor or the House of Commons of Canada and cordially greeting each other without any thought that there is either West or East.

May I, the First Commoner of Canada, express to you, the first Prime Minister of India, the appreciation of all the people of Canada for your presence here this afternon; and may I extend to you the very best of good wishes for your personal health and happiness and for the general well-being of the people whom you represent.

THE SENATE

Tuesday, October 25, 1949

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 B-4, an Act for the relief of Cecile de Mers Asheim.

Bill C-4, an Act for the relief of Elsie Margaret Harding Lewin.

Bill D-4, an Act for the relief of Raymond Webster Elliott.

Bill E-4, an Act for the relief of Hazel Wilma Drysdale Warnecke.

Bill F-4, an Act for the relief of Ruby Rabinovitch Friedgut, otherwise known as Ruby Rabinovitch Freygood.

Bill G-4, an Act for the relief of Mildred Carmen Mitchell James.

Bill H-4, an Act for the relief of Bessie Birenbaum Abrams.

Bill I-4, an Act for the relief of Grace Elsie Mills Johnson.

Bill J-4, an Act for the relief of Robert Ewen Stewart.

Bill K-4, an Act for the relief of Mary Cecilia Helliwell Glassco.

Bill L-4, an Act for the relief of Betty Malca Stillman Shugar.

Bill M-4, an Act for the relief of Tessie Charow Hersh.

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.

BUSINESS OF THE SENATE

On the Orders of the Day:

Hon. Mr. Robertson: Honourable senators, before the Orders of the Day are proceeded with, I would advise the house that the honourable senator from Thunder Bay (Hon. Mr. Paterson), in whose name stands the second item on our Order Paper has requested that we proceed with that item first. He is anxious to dispose of it before we carry on with other business.

PRIVATE BILL

SECOND READING

Hon. Norman McL. Paterson moved the second reading of Bill Y-3, an Act respecting the British and Foreign Bible Society in Canada and Newfoundland.

He said: Honourable senators, the purpose of this bill is simply to eliminate the words "and Newfoundland" in the name of the society, because of the fact that Newfoundland is now part of Canada. It will be seen from section 1 that the rights and privileges of the original society are not affected by this change. They are all protected.

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

THIRD READING

Hon. Mr. Paterson: Honourable members, with unanimous leave of the Senate, I would move that this bill be given third reading now, for it is not important enough to require a reference to committee.

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

DIVORCE

REPORTS OF COMMITTEE

On the order for consideration of reports of the Standing Committee on Divorce:

Hon. Mr. Haig: Honourable senators, the third item on the Order Paper, consideration of reports Nos. 102 to 116 of the Divorce Committee, stands in my name. In order to have the item cleared from the Order Paper as soon as possible and also in order that the Chairman of the committee (Hon. Mr. Aseltine), who is now present, may feel free to return to the sitting of that committee, I would ask that he be permitted to move adoption of these reports now.

Hon. Mr. Aseltine: If that is agreeable to the house, I would move that these items be now concurred in.

The motion was agreed to.

SUPREME COURT BILL

SECOND READING

The Senate resumed from Wednesday, October 19, the adjourned debate on the motion of Hon. Mr. Robertson for the second reading of Bill 2, an Act to amend the Supreme Court Act.

Hon. J. W. De B. Farris: Honourable senators, the desire which other honourable members have shown to get their bills or motions through before I begin indicates some apprehension as to the length of my speech. Prior to our adjournment for Thanksgiving I had made some brief notes which I planned to use

as the basis of a speech confined entirely to what should happen after this bill has been passed. However, I was away one afternoon and lost the opportunity to speak. Then, after having read the speech by my honourable friend from Inkerman (Hon. Mr. Hugessen), which everyone assures me and which my own reading confirms was a powerful and able address, I felt that there was another side to this question, and that it was incumbent on me or some other senator to present that side. I am taking the responsibility of doing so now.

I do not intend to oppose the bill when the time comes for voting on it. Honourable senators who were here last session and at previous sessions know that I have expressed myself against the abolition of appeals to the Privy Council, at any rate for the present. I stated my reasons for that stand last year, and I do not intend to repeat them now. But holding the views personally that I do, the reason that I do not feel justified as a senator in opposing this bill is quite obvious. Last year the Liberal party held a national convention in the city of Ottawa, and at it they passed, as part of the Liberal platform, a resolution in favour of abolishing appeals to the Privy Council. Last spring when parliament was sitting the government introduced, in the name of the Minister of Justice, a bill to implement this proposal. That was a confirmed declaration to all Canada of the policy of the Liberal party. While that bill was still on the Order Paper, parliament was dissolved, and an election followed. Now, as far as I know, there was no public discussion of this plank in the Liberal platform during that election campaign. No other party and no individual saw fit to make the question a definite issue. Therefore, as I interpret it, that question went by default. The Liberal party was returned by a very large majority, which seems to me an almost unanimous mandate from the people of Canada to enact this legislation. Under my conception of the strict limitation of the rights and powers of the Senate—what is termed by Dicey the conventions of the constitution—it seems to me that at this time there is imposed upon the Senate the obligation not to oppose this legislation. However, that is not the whole question.

My honourable friend from Inkerman (Hon. Mr. Hugessen), in his very able speech, took a very strong stand on the reasons why appeals to the Privy Council should be abolished. I am not in agreement with those reasons, and, with all deference to my honourable friend, I do not think they accurately represent the reasons why the people of Canada generally are in favour of the abolition of the Senate—

Some Hon. Members: Oh, oh.

Hon. Mr. Farris: I mean appeals to the Privy Council. I was a little ahead in my thinking.

Hon. Mr. Haig: Too far ahead, I hope.

Hon. Mr. Farris: One thing leads to another, and we never know what may happen in this world.

If this action must be taken, I would prefer to stand on the ground taken by the Minister of Justice in his speech before the House of Commons on September 20, last, in which he said:

> If we no longer wish to have the United Kingdom Privy Council hear the final appeals of our Canadian lawsuits, and to be the ultimate interpreter of the laws which we make in this chamber, it is not because the Privy Council is not today perhaps the strongest law court in the world. We shall always be grateful for the massive judicial services which the Privy Council has performed for this country. We shall still remain conscious of its greatness as a court of exclusive ultimate appellate jurisdiction. Indeed, sir, we desire in our Supreme Court to emulate that greatness as a court of ultimate exclusive appellate jurisdiction; and we think that the best, if not the only way, in which we can begin to do so, is to make our own Supreme Court also one of exclusive appellate and ultimate jurisdiction, by passing the bill we now have before us.

My honourable friend from Grandville (Hon. Mr. Bouffard) who spoke in this house in French on October 19, the translation of his remarks appearing as an appendix to the Debates of October 20, had this to say:

> I admire greatly the English judges who in the past have carried out such important functions. They are learned men of unquestionable integrity. In other words, they are great jurists. It must be recognized, however, that if it be true that England has produced great jurists, France, Belgium, Italy, Switzerland and other countries have also had theirs.
>
> Canada, too, has her great jurists. Her magistrature is one of those who command the respect of the nation. We need not have any fear in entrusting them with the responsibility of interpreting our laws. They will perform this important function with as much if not more dash than those who have carried it out in the past.

Without necessarily assenting to the idea about the "dash" these judges will display, I feel that the reasons advanced by my honourable colleague from Grandville (Hon. Mr. Bouffard) and by the Minister of Justice are the best grounds upon which parliament should consider this question. But my honourable friend from Inkerman (Hon. Mr. Hugessen) has gone very much further. I hope honourable senators will understand, as I am sure my honourable friend from Inkerman does, that anything I say here is meant in no personal way whatever. My honourable friend and I came into the Senate at the same time. Our relations are those of mutual respect and liking, and I know of no more useful and valuable senator than my honourable friend. I disagree very strongly with

the views he has expressed on this matter, but I ask honourable members to regard what I have to say in the same light as though my honourable friend and I had our gowns on and were discussing the question from opposite sides in a court of law.

Now, in contrast with what was said by the Minister of Justice and by the honourable senator from Grandville, my honourable friend from Inkerman has made some allegations which I think are very serious. He says that in the past the Privy Council has failed to act judicially, that it has diverted for political reasons the proper trend of decisions. He says that the judges have "perverted"—I take that word from the text—the meaning of the British North America Act and changed its true meaning and intent. He says that they introduced—and in my notes I have put in brackets "wrongly", because I think that is the effect of the inference—new and unknown rules of interpretation, thus perverting the meaning of the Act in order to give effect to their political conceptions of what it should mean. He asserts that Lord Sankey, in a judgment in the Edwards case, went out of his way to discredit our Supreme Court. He expresses the view that the decision in that case was wrong in law, and I think it is a fair inference from his statement that he holds the same to be true of other decisions; that a result of the Privy Council in appeals there has developed a "source of bitterness, suspicion and misunderstanding", and that in consequence the position is intolerable and the system inherently bad.

Coming from a lawyer of distinction and a man who is always moderate in his views and expressions, these are very serious imputations. If it were necessary at this time to enter into a controversial discussion, and if my honourable friend really believes—as of course he does—that the situation is as he has described it, then, if we agreed with him on that, we might feel obliged to express our assent. But in the first place, honourable senators, I find myself in complete disagreement with my honourable friend; and in the second place, since the present parliamentary discussion is the last that will be heard concerning an association which has continued for over seventy years, and concerns the contribution which great men in the legal profession have made conscientiously and continuously, without a "thank you", to the service of Canada, I must express regret that my honourable friend has found it necessary to bring this controversial note into the present discussion.

I have in my hand a list of some great judges. I compiled this list rather hurriedly, so no doubt there are omissions. Among these names are those of Lord Watson and Lord Haldane, who seemed particularly to incite the adverse criticism of my honourable friend. I think they are two of the greatest legal men of our time. There are Lord Russell of Killowen, Lord Finlay and Lord Maugham, Lord Sumner, Lord Atkin, Lord Roche, and Lord Simon, who for many years was known to the profession as Sir John Simon. Then there a recent acquisition, a great lawyer in England, Lord Greene.

Honourable senators, it is my understanding that these men served Canada to the best of their great ability and experience. They did so, not only in interpreting the Canadian constitution, but generally in the growth and development of our jurisprudence in the great field of common law, which is the proud heritage of all the people of the Empire coming under that system. I should regret it if the public of Canada, Great Britain, or of any other place, formed the opinion that these criticisms of the Privy Council, either as an organization or as individuals, reflect the unanimous opinion of members of the Senate. For this reason I am going to ask honourable senators to be patient with me while I examine the assertions upon which my honourable friend has based his conclusions.

My honourable friend divided his criticism into two main parts. First, he stated that the Privy Council has "misdirected"—that word is my own, but it is a fair interpretation of what he means—the proceedings in that court to the end that federal authority has been weakened and the sovereignty of the provinces too greatly increased. In the second place he attacked the theory or doctrine, which he has termed the "doctrine of the living tree." As a lawyer I propose to analyse his grounds for each of these propositions. I shall deal first with the question of increasing the power of the provinces—sometimes referred to as provincial rights—at the expense of federal authority, and for the purpose of our consideration I have divided this criticism under three headings.

First, has there been in the Privy Council a tendency to build up a provincial autonomy? As to this proposition I agree entirely; I think there has been.

Secondly, has it been done on the basis of legal interpretation, or has it been done on the basis of what might be termed judicial legislation? My honourable friend has suggested the latter, but I do not agree with him, and I challenge the authorities he quotes to support him. The first authority he quoted was a speech made some ten or eleven years ago by Mr. C. H. Cahan, a distinguished parliamentarian and King's Counsel. I was in Vancouver at the time, and after reading the

speech I said to the editor of the *Vancouver Province,* who was a strict Conservative and the editor of a very strict Conservative paper, "I think I shall take the next train to Ottawa and reply in the Senate to Mr. Cahan's speech." Knowing that I was tied up in business at the time, he said to me, "That is not necessary; the *Vancouver Province* is at your disposal". I wrote a lengthy reply consisting of four or five full columns. Mr. Cahan answered me in the same paper and I again replied to him. Therefore, what I say now is not said without knowledge at the time of Mr. Cahan's speech. Honourable senators, that was one of the most bitter speeches I ever read, and I could not help wondering if Mr. Cahan's experience in the Privy Council had helped to embitter him. He has gone now, and I cannot do more than suggest that there must have been some reason for his attitude, because his speech was more than a cool criticism of the Privy Council. What I regret is that my honourable friend from Inkerman took so much information for his speech from the bitter lips of the Honourable Mr. Cahan.

The other gentleman from whom my honourable colleague from Inkerman acquired information was our late esteemed friend, Mr. W. F. O'Connor, who was Parliamentary Counsel to this chamber. I knew Mr. O'Connor well, and when he completed the book to which my honourable friend referred, I and the present leader of the opposition (Hon. Mr. Haig) moved and seconded a resolution expressing our appreciation of the great work Mr. O'Connor had done. However, I think it was explained that we did not agree with all that was contained in the report, although we appreciated the great effort devoted to it. There was no bitterness in Mr. O'Connor's criticisms, such as there were in Mr. Cahan's speech. Mr. O'Connor, however, was one of those men possessed of certain pet theories. He was a good lawyer, a fine public servant, a man whom we all respected and admired, but he did have some pet theories with which I could never agree. Sometimes I had trouble in finding out exactly what he meant. One of his ideas was that legislation should run concurrently in both federal and provincial jurisdictions, each with its own aspect. If any honourable senator wants to follow that further I would recommend that he read through Mr. O'Connor's book to get that viewpoint. Mr. O'Connor was an extremist in these things, and while he was extremely well informed, I would not recommend that at this stage anybody should accept the views which he held as proof of his conclusions.

Then my honourable friend from Inkerman quoted Lord Haldane on Lord Watson, to whom Mr. Cahan referred in his speech of ten or eleven years ago. In his article about Lord Watson, which was quoted by my honourable friend, Lord Haldane pointed out that Lord Watson had brought to bear on his interpretation of the constitution all his experiences as a great statesman and lawyer. He said that many gaps in our constitution had been left there intentionally by parliament, and that it was not always possible to fill them in by strict legal interpretation. He claimed that sometimes the direct legal interpretation could not be found without the application of a comprehensive knowledge. My honourable friend interpreted Lord Haldane's article as suggesting that Lord Watson had departed from judicial interpretation and, for his own political reasons, had given political bent to his judgment. Since my honourable friend made that statement I have read Lord Haldane's article several times, and I say—and I leave it to honourable members to read it for themselves —that I do not think that was the intent of what Lord Haldane said: I do not think that is an accurate interpretation of what he said.

In effect, my honourable friend from Inkerman charged that as a result of Lord Watson's strong personality and his wide experience, judicial and otherwise, the Privy Council committed the unpardonable offence of building up the provinces at the expense of the dominion and to the detriment of Canada.

Honourable senators may escape part of my speech, for I seem to have mislaid one page of my notes. However, we may be able to get along without it.

I agree, as I said before, that as a result of the judgments of Lord Watson, Lord Haldane and some other judges, the threat of centralization of authority at Ottawa in the interpretation of our constitution was checked, and the constitution was interpreted so as to give more recognition to the rights of the provinces. From my reading and understanding of the Privy Council's decisions, I challenge absolutely the view that they were made from any ulterior motive or with any other desire on the part of those great judges—for they were great—than to apply their minds to the utmost of their capacity to giving a correct judicial interpretation to our constitution.

Now, honourable senators, the next question to ask is, whether those decisions that have been criticised were wrong and did harm to Canadian unity. Well, Lord Watson wrote two outstanding decisions. The first was in a case from my old province of New Brunswick, the Liquidators of the Maritime Bank of Canada against the Receiver General. It was a controversy between the province and the dominion as

to priorities. It is interesting to note here that Lord Watson's decision was handed down in 1892, one year after my honourable friend from Inkerman was born, and that in the meantime, notwithstanding the decision, both he and the constitution have survived and prospered. I submit to you that the unity of Canada is proved today by the present assembly, with my honourable friend as one of its members enjoying the great national achievement that is Canada.

Here is what Lord Watson said—and this is the basis of the attack made by those two great Nova Scotia Tories, Cahan and O'Connor.

> Their lordships do not think it necessary to examine, in minute detail, the provisions of the Act of 1867, which nowhere profess to curtail in any respect the rights and privileges of the crown, or to disturb the relations then subsisting between the sovereign and the provinces. The object of the Act was neither to weld the provinces into one, nor to subordinate provincial governments to a central authority, but to create a federal government in which they should all be represented, entrusted with the exclusive administration of affairs in which they had a common interest, each province retaining its independence and autonomy. That object was accomplished by distributing, between the dominion and the provinces, all powers executive and legislative, and all public property and revenues which had previously belonged to the provinces; so that the dominion government should be vested with such of these powers, property and revenues as were necessary for the due performance of its constitutional functions, and that the remainder should be retained by the provinces for the purposes of provincial government. But, in so far as regards those matters which, by section 92, are specially reserved for provincal legislation, the legislation of each province continues to be free from the control of the dominion, and as supreme as it was before the passing of the act.

That, honourable senators, is the foundation of the present-day interpretation of the Canadian constitution, and I ask: Where is there in Canada a man, including my honourable friend from Inkerman, who challenges the soundness and effectiveness of those propositions?

A few years later the Privy Council handed down the other decision which was under attack by Messrs. Cahan and O'Connor. It is known generally and may be easily referred to as the 1896 Liquor Case. It is not necessary to state the details upon which the decision was based, but one of the matters considered there was the meaning of the opening words of section 91 of the British North America Act which empower the federal parliament to make laws for the peace, order and good government of Canada. The argument was made at that time that matters which in one aspect are purely provincial in character might in another aspect be considered to be national in character, and that therefore the federal parliament could legislate on any question under the guise of peace, order and good government. Federal legislation always overrides provincial, and if that argument had been maintained the provision which is the backbone of provincial jurisdiction—the provision in the British North America Act relating to property and civil rights—would be, to use a common expression, pretty nearly gone out the window. The Privy Council had to face that issue, and here is their decision, as delivered by Lord Watson, who has been charged with rendering a political judgment. I am reading from Cameron, *The Canadian Constitution*, page 491:

> These enactments appear to their lordships to indicate that the exercise of legislative power by the Parliament of Canada, in regard to all matters not enumerated in section 91, ought to be strictly confined to such matters as are unquestionably of Canadian interest and importance, and ought not to trench upon provincial legislation with respect to any of the classes of subjects enumerated in section 92.

Would anyone here dispute that? Of course, in time of war an exception is made. Lord Haldane laid down the doctrine that during a war property and civil rights must of necessity take on a different aspect and for the time being fall within the jurisdiction of the dominion, although in ordinary times it is within provincial jurisdiction.

Lord Watson refused to assent to the idea that because every province is interested in property and civil rights the subject is therefore of national interest and can be legislated upon by the federal parliament.

The judgment continues:

> To attach any other construction to the general power which, in supplement of its enumerated powers, is conferred upon the Parliament of Canada by section 91, would, in their Lordship's opinion, not only be contrary to the intendment of the act but would practically destroy the autonomy of the provinces.

Would any honourable senator question the soundness of that statement? Would anyone here venture the opinion that it would have been a good thing by a contrary decision so to destroy the autonomy of the provinces?

The judgment goes on:

> If it were once conceded that the Parliament of Canada has authority to make laws applicable to the whole dominion, in relation to matters which in each province are substantially of local or private interest, upon the assumption that these matters also concern the peace, order, and good government of the dominion, there is hardly a subject enumerated in section 92 upon which it might not legislate, to the exclusion of the provincial legislatures.

Those are the two decisions of Lord Watson that were the basis of the attack made by Mr. C. H. Cahan, and reiterated here by my honourable friend.

Now, for a moment, I speak chiefly to the honourable members on this side of the house. In my understanding it has been the

Liberal party which throughout the history of Canada has fought the battle of provincial rights. It did not fight that battle to stir up animosity, or to do as I might do now if I wanted to indulge in some political insinuation concerning what is going on in some quarters today. The primary mover in that policy by the Liberal party was Sir Oliver Mowat. I hold in my hand, honourable members, a biographical sketch of Sir Oliver Mowat by Mr. C. R. W. Biggar—not O. M. Biggar, whom we know so well. It contains some editorials, one of which is by J. S. Willison, whom honourable members will recall as a Conservative who later wrote the *Life of Sir Wilfrid Laurier*. This editorial, which is to be found at page 842 of Volume 2, reads as follows:

> He seems, however, to have been a federalist from the outset, and in complete sympathy with Brown's agitation for representation according to population and for a federal union of the Canadas. He seconded Brown's motions in 1864, declaring that the old legislative union was a failure, and could not be advantageously maintained, and that the remedy for the unsatisfactory conditions which then prevailed was to be found in the formation of two or more local governments, with some joint authority charged with such matters as were necessarily common to both sections of the province. This was the germ of confederation; and it was natural that he should be selected as one of Brown's colleagues in the great coalition cabinet. Owing, however, to his appointment to the Vice-Chancellorship of Upper Canada he was for a time unable to advise upon the actual details of the British North America Act; and it is no doubt owing also to this incident that all his later years of political activity were devoted to provincial rather than to national affairs.
>
> He was, however, greatly instrumental in determining the federal character of the constitution.

We, here today, have attacked a great judge who had, from a legal standpoint, the same viewpoint.

The editorial continues:

> If he had remained in the Coalition Government he would doubtless have been the staunch ally of George Brown and Sir Geo. E. Cartier in resisting Sir John Macdonald's project of a legislative union, and in engrafting the principle of federalism firmly upon the new Constitution. His greater political achievements centre in his long and triumphant struggle with the Conservative leader to establish the ample constitutional powers of the provinces, and in particular to maintain the legislative and territorial rights of Ontario.

Sir Oliver Mowat, honourable senators, was a great leader of the Liberal party before, during and after confederation. As far as I know, this party has never departed from its basic and fundamental view that it is just as essential for national unity to preserve, within its field of activity, the status of the province as it is to maintain the status of the dominion itself.

Honourable senators, sometimes we are misled by the mere fact that in population Canada is comparatively small. But I would point out that we have half a continent, a country bigger than Europe with all its political and national divisions. Had it ever been attempted in this country—particularly in the earlier days of confederation when transportation was not as it is today—to unduly centralize government in Ottawa, there would have been an unrest and a discontent the seriousness of which no one can appreciate. I come from the province farthest from the city of Ottawa. From Victoria to Ottawa is as far as from Ottawa to London. But for a Lieutenant-Governor and the trappings and pomp, if you will, that go with that office, the people of British Columbia during the past seventy years might as well have been in Timbuktu. We would have been, and indeed we were for a long time, almost as detached from Ottawa as we were from London. The strong centralizing force of, not authority but sentiment, and the building up of a national opinion in Canada, has been the result of these great decisions of the Privy Council and of the efforts of outstanding men, like Sir Oliver Mowat, who championed the Liberal party down through the years in its fight for principles. I would be very sorry, as I am sure my honourable friend would be, to hear any suggestion that the Liberal party should in any shape or form depart from the high ideal which formed its basic principle of national unity.

Now so much for my honourable friend's first attack. His second point rests on what he terms the theory of interpretation, based on the living tree. Honourable senators will recall that several ladies from Western Canada carried an appeal to the Privy Council on the question of the right of women to sit in the Senate. The learned judge of the Privy Council who wrote the decision, which was the decision of all the members of the Privy Council, considered the question. The learned judges in the court of Canada had taken the view that they were restricted by the definition of a qualified person at the time of confederation. The learned judge of the Privy Council said that was too literal and too narrow a sense in which to interpret a constitution, which is an organic thing that has to expand and adjust itself according to the vicissitudes and changes which occur in a country as time proceeds. As an illustration—not for the purpose of literal application—he likened the British North America Act to a tree that one might plant in the garden, which would have to be pruned and adjusted as its growth took effect.

My honourable friend was not satisfied to merely attack that principle, but he went further. He said, first, that in the Edwards case—generally called the "Persons" case—the learned Judges of the Privy Council knew that public opinion in Canada was in favour

of appointing women senators, and so "determined to torture the meaning of the British North America Act to achieve that end". Now, honourable senators, that is strong language and, on the face of it, I do not think it is true. I can see no reason for it. Why torture the B.N.A. Act—a poor, harmless, inoffensive sort of thing? Women in Canada then had the right to vote, and if the learned Judges of the Privy Council had held the views of the Judges of the Supreme Court of Canada, that women were not qualified persons to sit in the Senate under the then existing British North America Act, it would not have taken very long if I know anything about the ladies—before sufficient pressure would have been brought to bear to cause an amendment to the Constitution to cure the defect, and my two honourable friends would have come here anyway. The honourable members of the Privy Council did not need to invoke the aid of any torture chamber, or to distort the constitution or abuse their judicial powers by invading the political field. There was no necessity for it; and no one could know that better than they did.

My honourable friend, comparing the two judgments and speaking as a lawyer, said that in his opinion the Supreme Court was absolutely right. Well, in one case in which I was concerned I thought the Privy Council was absolutely wrong—they decided it against me—but I have never gone around saying they were wrong, because that would have been a pretty rash statement. Let me point out to my honourable friend who says that on this point the Supreme Court of Canada was unanimous, that they were unanimous in the result but not in their reasons. One of the judges of the court was among the greatest judges that Canada has produced: I mean Sir Lyman Duff, for a long time Chief Justice of Canada. Another judge who took a leading part in that case was the then Chief Justice Anglin. His was what might be termed the historical view. He reviewed the relevant decisions in a technical way, as though the constitution were an ordinary statute, and held that as, in his opinion, the admission of women to the Senate was not contemplated at the time of Confederation, the Act must be interpreted today—that is in 1928—in exactly the same way as it would have been in 1867. It may be of interest to my honourable friend to know that Sir Lyman Duff, although he agreed in the result, wholly disagreed with the viewpoint I have just referred to. So you have not got from the Supreme Court of Canada so clear and unanimous a verdict as at first blush would appear. Sir Lyman Duff took the very much narrower view that the word "person" as used in the context meant a male person, but his grounds for arriving at that interpretation were not those of the majority of the Supreme Court. As I have followed the argument of my honourable friend in this chamber, he relies largely on the judgment of Chief Justice Anglin. If that is so, he places himself in conflict, at least partially, with the views of Sir Lyman Duff. It may be—I do not know—that he is justified in saying that the Supreme Court was absolutely right and therefore the Privy Council was absolutely wrong. But I would need the accumulated views of a great many lawyers before I would be willing to accept that view.

Hon. Mr. Hugessen: I will give the honourable senator the name of a very distinguished one when I reply.

Hon. Mr. Farris: Who is it?

Hon. Mr. Hugessen: He happens to be not a Canadian at all; he is Sir Arthur Berriedale Keith, a great constitutional authority in England. He says exactly what I said.

Hon. Mr. Farris: I recognize him as a great authority, but I do not concede to any textbook writer the right to override the opinions of Sir Lyman Duff and the men who at that time constituted the Privy Council. Chief Justice Anglin said that if "qualified persons" within the meaning of section 24, includes women today, it did so in 1867; and as they were not qualified in 1867, they were not qualified in 1928. I cannot follow that reasoning.

I do not wish to get into a legal discussion on this matter. I do not want honourable senators to accept my opinions, nor those of my honourable friend, nor even those of Sir Berriedale Keith. But there is one consideration to which I would draw attention. One of the qualifications of a senator, as stated in section 23, is that he must own property of the value of $4,000. Supposing that in one province it was the law that nobody could own property until he was forty-five years of age, and that later on that provision was withdrawn, surely the removal of that restriction would put residents of that province on an equal footing with those of the other provinces. In my opinion, persons formerly subject to that limitation would automatically qualify in accordance with the changed conditions.

Then my honourable friend saw fit to say something else. I will quote his exact words:

> Lord Sankey went out of his way to discredit our Supreme Court. This is what he said: "Their lordships are of opinion that the word 'persons' in section 24 does include women, and that women are eligible to be summoned to and become members of the Senate of Canada." Well—

He said my honourable friend,

> —that is begging the question. The question was, not whether women were persons, but whether women were qualified persons within the meaning of section 24. . . .

I have Lord Sankey's judgment here, and I find that that is the very thing he said. I call my honourable friend's attention to Plaxton's *Canadian Constitutional Decisions of the Judicial Committee of the Privy Council*, page 16, where Lord Sankey, at the very beginning of his judgment, said:

> The question at issue in this appeal is whether the words "qualified persons" in that section include a woman, and consequently whether women are eligible to be summoned to and become members of the Senate of Canada.

The complaint my honourable friend makes as the basis of his suggestion that Lord Sankey apparently had deliberately tried to make a fool out of the Supreme Court, is answered in the second paragraph of Lord Sankey's judgment.

I complain of two speeches which have been made in this house, one by the honourable member from Inkerman, the other by the honourable lady member from Peterborough (Hon. Mrs. Fallis). The lady member from Peterborough did what my honourable friend said the Privy Council did: she belittled, though in most skilful fashion, the Supreme Court of Canada for deciding that a woman was not a "person". But the Supreme Court never said that. All the Supreme Court of Canada said was that the words "qualified persons", within the meaning of the Act, looked at in its historical setting, did not include women. So when the honourable lady member assumed on the strength of the text to discredit the judgment of the Supreme Court, I would criticize her remarks as being out of place. But I say to my honourable friend from Inkerman that he is not a whit better. He merely puts the shoe on the other foot in accusing the Privy Council of doing the very thing that, by inference, he criticizes the lady member from Peterborough for doing.

Hon. Mr. Hugessen: They misled the lady member for Peterborough. That is what I complain of.

Hon. Mr. Farris: I am afraid they misled my honourable friend from Inkerman, because he has not correctly read the judgment of the Privy Council. Nothing in that judgment entitles anyone to say that any reflection was cast upon the Supreme Court of Canada. So I repeat that, in drawing the inference she did, the lady member from Peterborough was not justified, and that my honourable friend from Inkerman, in complaining that the Privy Council gave the lead by doing the same thing deliberately, is committing the same offence as she did.

After my honourable friend had used against the Privy Council all the expressions that I have mentioned, he found occasion at the end of his speech to pay high tribute to that body and to suggest that after the bill is passed the government should tender a formal expression of thanks to the Privy Council as a kind of fond farewell. I am heartly in accord with that. As a matter of fact, I spoke about it to my honourable friend on my right (Hon. Mr. David) before I knew that the honourable gentleman from Inkerman had proposed it. I am still just as much in favour of it is I was before, but if a formal expression of thanks were conveyed to the Privy Council and the statements of my honourable friend from Inkerman remained unchallenged on our records as apparently expressing the unanimous opinion of the Senate, I imagine their Lordships of the Privy Council would each have felt like saying something along this line:

> When late I attempted your pity to move,
> Why seemed you so deaf to my prayers?
> Perhaps it was right to dissemble your love,
> But—why should you kick me downstairs?

Honourable senators, so far in these remarks I have had only one motive, to show that there was not complete unanimity in the Senate as to the alleged evils of the system of appeals to the Privy Council. I wished particularly to do that at this time, when we are about to pass an Act severing relationships which I think have been very valuable to us during all the years of confederation.

Now may I come to what I had intended to say in this debate before my honourable friend's speech was made? The Minister of Justice has said that he hopes the Supreme Court of Canada will emulate and take its inspiration from the great court which has preceded it as a court of final appeal for Canada. I want to make a few points as to the future. This bill will of course pass the Senate and in a few days will become law, whereupon new and greater responsibilities will fall upon the courts of Canada, and on parliament, standing behind our courts.

One matter that has been discussed a great deal is the doctrine of *stare decisis*, especially since the passing of a resolution by the Canadian Bar Association. Here I wish to refer to the great contrast between the way in which some recommendations of the Bar Association were considered in a Senate committee this morning and the way in which the Bar Association's resolution respecting the doctrine of *stare decisis* has been considered. In my opinion, and in that of practically all the lawyers with whom I have discussed the matter, the rule of *stare decisis* will govern in the future just as much as it has governed in the past when our highest court of appeal was the Privy Council. I will not question the statement made by my honourable friend from Grandville (Hon. Mr. Bouffard) as to interpretation of the law in Quebec; but in

the other provinces the rule of *stare decisis* has always been recognized as part of the common law. The substitution of the Supreme Court for the Privy Council as our court of last appeal will not wipe out the judicial history of Canada, and the authorities which have been followed in the past will continue to be regarded as binding.

The next question that has been raised is whether the Supreme Court of Canada, appointed by the government of this country, can be relied on to interpret our constitution effectively. As I understand it, the Prime Minister and the Minister of Justice have said positively that the Supreme Court has always acted fairly, impartially, honestly and competently, and that with its new and added responsibilities it will continue to do so. I do not think we need have any worry in that regard.

Then I wish to say a few words as to the conclusion drawn by the Prime Minister and the Minister of Justice that our Supreme Court, receiving its inspiration from the Privy Council, will be—I am stating this in my own words—just as great, distinguished and able a court of last resort as the Privy Council has been. That is a fine ideal, and I have no doubt that as time goes on it will work out. But there is a danger of our being just a little too complacent about it. It is not good enough to stand up and make speeches to the effect that we are just as good as Englishmen, that we can find just as good judges in Canada as we had in England. That statement will not do us any good unless we are resolved to see that it is carried out. And we might as well face the fact that at times it will be difficult to secure the very best men for judges in this country. Look over the field of the past generation. The great Canadian lawyers of the past generation who come to my mind are Eugene Lafleur and Aime Geoffrion, of Montreal, W. N. Tilley, of Toronto, and E. P. Davis of Vancouver. Not one of those men ever sat on the bench, but I believe that had they lived in England every one of them would, in their later years, have been appointed to some high judicial position, on the Court of Appeal or in the House of Lords.

England has forty million people as against our thirteen million. Our new Supreme Court will have three judges from Quebec, and by implication there will not be more than that from that province. Suppose there is a vacancy while the Quebec quota of three judges is filled, and when, obviously, the ablest lawyer in sight is practising in that province. He will not get the appointment, for it would have to be made on a territorial basis that would exclude him. The racial and religious background of possible appointees will also have to be taken into consideration. I am not saying anything against that system now; I am simply pointing out that it will add to the problem of securing the ablest men for the Supreme Court. I have no doubt that at some time the ablest lawyer might be in the Maritime provinces or in British Columbia, yet because of geographic considerations it might not be possible to appoint him to fill a vacancy. Such considerations, which are very proper in this country, do not have to be taken account of in England.

Then there are political considerations. Well, I suppose they carry some weight in England, although the present Lord Chancellor, Lord Jowitt, told the American Bar last year that since he has held his present office not a single lawyer belonging to his party has been elevated to the bench. Here is another point. In England when a lawyer quits a lucrative practice to become a judge he is at once made a knight or a peer, and his wife has the title of lady. They live in London, a beautiful city, in the very centre of the national life and within easy reach of the rest of the country. I have never been and do not expect to be offered a judgeship at Ottawa; but if I were, I should hesitate to move here permanently, three thousand miles away from my present home and the home of my children and grandchildren. In England these same sacrifices do not have to be made. These problems are only common to this country.

Most lawyers whom I know with big incomes spend as they go, and because all of their income is taxable they have no opportunity to save. Therefore, honourable senators, the first consideration in the appointment of judges in Canada will be not merely the desire on the part of the Minister of Justice to secure the most able men, but the ability to offer them a fitting inducement to come to Ottawa. It is no disgrace to any lawyer who has a family and other responsibilities, to ask that he not be requested to sacrifice too much in coming to Ottawa from some other part of Canada. I am pleased to note that the Minister of Justice has announced that the salary of the chief justice of the Supreme Court of Canada will be increased to $25,000, and the salaries of the other judges to $20,000. The lawyers, through their resolutions, recommended more than that. I noticed, honourable senators, that Donald Gordon, a great man in Canada, has been promoted to a high office. I do not know what his salary will be in that position, but it was stated recently in the press that as Deputy Governor of the Bank of Canada he received $30,000. I

venture to say that he will receive more than that in his new position, and that Graham Towers, as Governor of the Bank of Canada, has an income of more than $30,000.

Honourable senators, I point out these facts because the basis of all organized society under our system of civilization is the proper administration of justice. I wish also to draw to your attention to the fact that there has been no increase in the salaries of the judges of other courts. This discrepancy is very marked, particularly as it applies to the judges of the courts of appeal in the provinces. Further, there is a marked difference between the salaries of the trial judges and those of the Supreme Court of Canada. This is sometimes not appreciated by the layman, but it is a vital factor in the successful administration of justice. The effectiveness of the Supreme Court of Canada as the highest court in the land will depend to a considerable degree upon the kind of cases that are sent up to it from the courts of appeal and the trial courts. For years the Privy Council has expressed the strongest desire that cases should come to it by way of the Supreme Court, so that it might have the benefit of the advice and opinions of that court. It follows that only the best judgment and thought in legal matters should reach to the Supreme Court of Canada from the courts of the provinces.

I may point out that in this country the trial judges are almost exclusively the judges of fact. If the trial court and the court of appeal agree on the facts in a case, the final court will not consider them at all. Very often a consideration of the facts is at the basis on which a litigant receives justice or otherwise. We talk about the Privy Council being the rich man's court. The lower court is really the poor man's court as only a handful of cases come to Ottawa and it is in the lower courts that the poor man has his day. It is essential above all else that the judges of those courts be just as fairly treated as are the judges who sit in Ottawa in the highest court. Every member of the Senate and of the House of Commons should look upon the administration of justice as quite equal in importance to the job of handling the Bank of Canada, the Canadian National Railways, or any other job that commands a much higher salary. I say, therefore, that there should be an increase in judges' salaries all down the line.

In conclusion, I say that in its final analysis the survival of our civilization will depend on the administration of justice.

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Farris: I was told the other day the Brüning, the one time German Chancellor who had trouble with Hitler and later went to the United States to become a university professor there, said that the first sign of break in Germany was on the part of the judges, when they started to take dictation from the political power in that country.

After appearing before tribunals which do not have the tradition or the appreciation of justice that our courts have, I have found it very refreshing to return from that atmosphere to our courts, where justice reigns supreme. The brains on the courts may not always have been of the highest character, but on the whole their judgment has been good and, as I say, justice reigns supreme. If that standard is to continue in this country, and is to be the bulwark against subversive forces, that spirit of justice must be present not only in the judges, but also in the people behind the judges. It must come from society. One hears talk about the fountainhead of justice. The real fountainhead of justice is the idealism of the people. We have inherited our system in this country from our ancestors across the waters, through the French law and the British law, and we have not allowed it to become sullied. My one wish and plea is that as time goes on our system of administering justice in Canada may remain supreme and triumphant.

Some Hon. Senators: Hear, hear.

On motion of Hon. Mr. Marcotte the debate was adjourned.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, October 26, 1949

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

Prayers and routine proceedings.

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 N-1, an Act to incorporate Prairie Pipe Lines Limited.

He said: Honourable senators, the committee have in obedience to the order of reference of October 18, 1949, examined the said bill and now beg leave to report the same with a few amendments. These are all of a minor character. There is a change of one word in the title, and a consequential change in one section. The other amendments are slight changes in phraseology. There is no change whatever in the meaning or intent of the original bill.

(*The amendments were then read by the Clerk Assistant.*)

1. Page 1, line 13: Delete "Pipe" and substitute "Transmission".
2. Page 2, lines 3 and 4: After "legislation" insert "which is enacted by Parliament,".
3. Page 2, line 6: Delete "which is enacted by Parliament".
4. Page 2, line 8: After "legislation" insert "which is enacted by Parliament,".
5. Page 2, line 10: Delete "which is enacted by Parliament".
6. In the Title: For "Prairie Pipe Lines Limited" substitute "Prairie Transmission Lines Limited".

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 now.

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

LIVE STOCK PEDIGREE BILL

REPORT OF COMMITTEE

Hon. Mr. Crerar presented the report of the Standing Committee on Natural Resources on Bill A-2, an Act respecting the Incorporation of Pure-Bred Live Stock Record Associations.

He said: Honourable senators, the committee have, in obedience to the order of reference of October 19, 1949, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

The Hon. the Speaker: Honourable senators, when shall the 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. Mr. Aseltine (Chairman of the Standing Committee on Divorce) presented the following bills:

Bill N-4, an Act for the relief of Cicely Manley Sampson.

Bill O-4, an Act for the relief of Paul Paquette.

Bill P-4, an Act for the relief of Joseph Simon Adelard Barrette.

Bill Q-4, an Act for the relief of Edith Daisy Steer Catto.

Bill R-4, an Act for the relief of Gwen Pollock Harris.

Bill S-4, an Act for the relief of Sonia Eagle Davies.

Bill T-4, an Act for the relief of Evelyne Louis Steinwold.

Bill U-4, an Act for the relief of John Gilbert Speak.

The bills were read the first time.

SECOND READINGS

The Hon. the Speaker: When shall the bills be read a second time?

Hon. Mr. Aseltine: With leave of the Senate, now.

Hon. Mr. Farris: Honourable senators, would the Clerk Assistant please read the names of the petitioners? I have been asked to look over the evidence in the Ryan case. Does it appear on the list?

Hon. Mr. Aseltine: No.

Hon. Mr. Haig: The committee heard evidence on that petition all day yesterday.

The motion was agreed to, and the bills were read the second time, on division.

THIRD READINGS

Hon. Mr. Aseltine, (Chairman of the Standing Committee on Divorce) moved the third readings of the following bills:

Bill B-4, an Act for the relief of Cecile de Mers Asheim.

Bill C-4, an Act for the relief of Elsie Margaret Harding Lewin.

Bill D-4, an Act for the relief of Raymond Webster Elliott.

Bill E-4, an Act for the relief of Hazel Wilma Drysdale Warnecke.

Bill F-4, an Act for the relief of Ruby Rabinovitch Friedgut, otherwise known as Ruby Rabinovitch Freygood.

Bill G-4, an Act for the relief of Mildred Carmen Mitchell James.

Bill H-4, an Act for the relief of Bessie Birenbaum Abrams.

Bill I-4, an Act for the relief of Grace Elsie Mills Johnson.

Bill J-4, an Act for the relief of Robert Ewen Stewart.

Bill K-4, an Act for the relief of Mary Cecilia Helliwell Glassco.

Bill L-4, an Act for the relief of Betty Malca Stillman Shugar.

Bill M-4, an Act for the relief of Tessie Charow Hersh.

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

SUPREME COURT BILL

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Robertson for the second reading of Bill 2, an Act to amend the Supreme Court Act.

Hon. Arthur Marcotte: I wish to take advantage of the opportunity afforded by this my first address this session to extend to our new president my congratulations on his appointment to his present high position. I know that he fully deserves the honour, and I wish him health and happiness during his term of office.

Honourable senators, I intend to make my remarks very brief, as on certain aspects of this question of amending our constitution there will be another opportunity to fully cover the constitution field.

My main argument in opposition to this bill is based, not on the principle of the bill but on the fact that the provinces have not been consulted before its presentation. The letters exchanged between the Prime Minister of the federal government and the provincial premiers show the desire of the provincial governments to have a conference before any changes are made in our constitution.

The press have been dedicating page after page to the subject of this controversy, and I think that you will agree with me that the question of amending our constitution is one of the most important which has come before parliament in many years. The old controversy as to whether that constitution is a statute or a contract is taking a new lease of life, and is becoming very bitter.

In order to give you my point of view on this moot question, I will refer to a paragraph of a speech that I made on the same subject quite a few years ago. I refer to the *Debates of the Senate* of Monday, June 15, 1936, page 553:

> The British North America Act is more than a contract or a treaty, more than a compromise or an entente. It contains all the requisites of these definitions, with something more. There was in 1867 only one power great enough to create this confederation, to give the different units the capacity to enter into such a contract, to confirm that compromise, to consecrate that entente, to ratify that treaty. That power was the Imperial Government. After years of preparation, months of discussion and some conferences, the provinces brought to the Imperial Government the result of their deliberations in the form of resolutions, and after further discussions and amendments the Imperial Government enacted the statute called the British North America Act. It created a constitution similar in principle to the English constitution, which still is the model constitution for democracies.

I will make just two citations on this point, so that, whether you regard the British North America Act as merely a statute or a contract, you will understand why I maintain that the provinces have a right to be consulted on any amendment which concerns them. I quote first from *Law Reports, Appeal Cases*, 1932, page 70, a decision of the Privy Council on the regulation and control of aeronautics in Canada:

> Inasmuch as the Act embodies a compromise under which the original provinces agreed to federate, it is important to keep in mind that the preservation of the rights of minorities was a condition on which such minorities entered into the federation, and the foundation upon which the whole structure was subsequently erected. The process of interpretation as the years go on ought not to be allowed to dim or to whittle down the provisions of the original contract upon which the federation was founded, nor is it legitimate that any judicial construction of the provisions of sections 91 and 92 should impose a new and different contract upon the federating bodies.

My other citation is taken from a book written by our friend, Dr. Maurice Ollivier, one of the law clerks of the House of Commons, who is considered to be an expert on constitutional law. It is well known that Dr. Ollivier is an ardent proponent of our right through our parliament to amend our constitution.

Under the heading *Le Canada, Pays souverain,* at page 68 he says:

(*Translation*):

As we will have occasion to prove later on, the British North America Act is not a contract; it is a statute of the British parliament; but as it is based on an agreement, on a compromise, it partakes of that agreement and of that compromise, so that none of the privileges granted us under this law may be taken away without violating the moral law, the constitutional law and inasmuch as we are an autonomous nation, the international law. It would constitute an action similar to that of Germany tearing up the treaty which guaranteed Belgium's neutrality.

(*Text*):

I think these citations are sufficient to support my view that the provinces are entitled to be consulted before passing this bill, because they have been deprived of a right by the last decision of the Privy Council giving this parliament the power to abolish our appeals to this same Privy Council. This I will try to prove.

In presenting this bill, the Minister of Justice stated that according to decisions of the Privy Council there were three constitutional bars preventing our parliament from effectively exercising its power to create a court of last resort in Canada. The first bar was the Colonial Laws Validity Act, the second bar was the legal doctrine of extra-territoriality, and the third bar consisted of the express terms of section 129 of the British North America Act itself.

I read now from page 70 of *Hansard* of September 20, 1949:

The third constitutional bar was the express terms of section 129 of the British North America Act itself. This section provided that all the laws in force at the time of confederation, in Upper Canada, Lower Canada, New Brunswick and Nova Scotia, should continue, subject to repeal or amendment by the parliament of Canada or by the respective provincial legislatures. But this section specifically excepted imperial laws—that is, laws of the United Kingdom—in force in these four provinces at confederation. Therefore, since the right of appeal from these provinces to the Privy Council had been legislated upon by the United Kingdom parliament, it followed that this right of appeal was specifically excepted from this section 129 of the British North America Act; and that the Parliament of Canada was not considered competent to abolish it.

Now we come to the Statute of Westminster, 1931, section 2, subsection 1 of which provides:

The Colonial Laws Validity Act, 1865, shall not apply to any law made after the commencement of this Act by the parliament of a dominion.

Thus the first constitutional bar mentioned by the Minister of Justice disappeared.

Section 3 reads:

It is hereby declared and enacted that the parliament of a dominion has full power to make laws having extra-territorial operation.

Thereby the second constitutional bar disappeared.

Sections 4, 5 and 6 define the powers of dominion parliament in relation to merchant shipping and Courts of Admiralty.

It is curious that no special mention is made of appeals to the Privy Council.

Section 7 covered the rights of the provinces, and reads as follows:

7. (1) Nothing in this Act shall be deemed to apply to the repeal amendment or alteration of the British North America Acts, 1867 to 1930, or any order, rule or regulation made thereunder.

(2) The provisions of section two of this Act shall extend to laws made by any of the provinces of Canada and to the powers of the legislatures of such provinces.

(3) The powers conferred by this Act upon the Parliament of Canada or upon the legislatures of the provinces shall be restricted to the enactment of laws in relation to matters within the competence of the Parliament of Canada or of any of the legislatures of the provinces respectively.

Section 129 of the British North America Act remained in full force, and the third constitutional bar mentioned by the Minister of Justice had not disappeared.

Then came the Cahan Bill, the reference to the Supreme Court, and the judgment of that court upholding the right of our parliament to make the Supreme Court a final court for Canada, thus abolishing the right of appeals to the Privy Council. The decision was not unanimous, as it would have been if the law had been so clear that no doubt existed. Four judges were in favour of giving our government the required power, one judge was against it, and the other was partially against it.

Appeal was made against that judgment to the Privy Council. We know the result. The decision was that parliament has the power to abolish appeals by the provinces to the Privy Council. It does not matter if that judgment is to anyone's liking or not; it is final. No matter if anyone prefers one court to the other, the fact is that the provinces have lost one of the most important prerogatives that they enjoyed.

Certain parts of that judgment are interesting, but I will cite only a part which was mentioned by the Minister of Justice:

Giving full weight to the circumstances of the union and to the determination shown by the provinces as late as the Imperial conferences, which led to the Statute of Westminster, that their rights should be unimpaired, nevertheless . . .

This shows that to the last the provinces were insisting on their rights, and wanted to retain the protection they thought they had.

But it is useless to argue further. I am satisfied that I have proven my point: the provinces have lost something which they had had since the passing of the British North America Act, and which was embodied in the Statutes of Westminster, under clause 7 of that act.

Honourable senators will recall that a few years ago I had the privilege of addressing them on the powers and duties of the Senate. I will not repeat now what I said at that time. When listening to the address of the honourable senator from Vancouver South (Hon. Mr. Farris) I was glad to hear him mention the late Eugène Lafleur, Aimé Geoffrion and John Ewart as having been among the famous lawyers who adorned the Canadian Bar. In 1918 those three barristers made a report to a committee of this house on the powers of the Senate.

Time and again we have been told in this chamber of the purposes in creating the Senate: that it was intended to be a body independent of any political influence, to be a safeguard against hasty legislation, to protect the minorities, and more specially to represent the provinces. I will not go over all that, because honourable senators know more about it than I do. But I wish to read these few words from the report of the three famous lawyers:

> To these reasons might be added this further consideration, that there is very little analogy between the Lords and the Senate. The Lords represent themselves, the Senate represents the provinces.

The Senate represents the provinces. These words are not from the lips of any senator; they were pronounced by the ablest lawyers in Canada in 1918.

The provinces have lost a right to which they were clinging as a safeguard against encroachments by the federal government.

What are the provinces demanding now? They are asking that this legislation be postponed until there is a conference with the federal government to consider and discuss the proposed amendments to the constitution under which we have lived since 1867. In my humble opinion, that request should be granted. If we are the representatives of the provinces, and if they feel they have a reason to complain and are seeking, not to prevent necessary amendments to our Act, but simply to get an opportunity to come to some understanding with the federal government on the terms of these amendments, it is up to the Senate to stand behind their request.

These are my reasons for opposing, not the bill, but its passing at the present time. A few months' delay in the amendment of a statute that has existed for years will not hurt the country; and since we hear so much about unity, it is time to prove that we really wish it preserved.

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

EXPORT AND IMPORT PERMITS BILL

SECOND READING

On the Order: Second reading of Bill Z-3, an Act to amend the Export and Import Permits Act.—Hon. Mr. Robertson.

Hon. Mr. Robertson: Honourable senators, I have asked the honourable gentleman from Inkerman (Hon. Mr. Hugessen) to move the second reading and explain the bill.

Hon. A. K. Hugessen moved the second reading of the bill.

He said: Honourable senators, this is a simple bill, designed to continue the provisions of the Export and Import Permits Act for a period of two more years—that is, until the 31st of March, 1952. I had the honour of explaining the original measure in 1947, and also the 1948 bill which extended the period of operation of the Act until March 31, 1950. The only object of the present bill is to extend the period of operation for a further two years.

As honourable senators are aware, the purpose of the measure is to allow the Governor in Council to impose restrictions upon the importation and the exportation of certain articles of commerce. He is restricted in his application of these controls under the legislation itself. Materials whose export from Canada may be controlled are of only three classes: firstly, war materials; secondly, materials which are not in adequate supply and distribution in Canada; and thirdly, materials subject to inter-governmental control and with respect to which this government has undertaken with other governments to restrict their export. Similarly, the Act contains restrictions with regard to materials the importation of which can be forbidden. Those are confined to articles of which there is a scarcity in world markets, to articles which are subjected to governmental control in their countries of origin, and to articles which are the subject of international allocation by international bodies.

In February 1948, when I explained the measure to this house, I gave figures showing the number of articles which as of December 31, 1947, were subject to import control and to export control, respectively. The number of articles subject to export control as at that date were 520. As of July 20 last the number of such articles had been reduced to 137.

Hon. Mr. Crerar: Could those controls be reimposed? I refer to the original 500 articles which were under control for export purposes.

Hon. Mr. Hugessen: Yes.

Hon. Mr. Crerar: I have also in mind the list of items which last July was reduced to the figure you mentioned.

Hon. Mr. Hugessen: The figure is 137.

Hon. Mr. Crerar: Are the items which constitute the difference between 500 and 137 permanently off control, or can the control be reimposed?

Hon. Mr. Hugessen: It could be reimposed, provided the items are subject to the conditions prescribed by the legislation, international allocation or some like factor. During the past year and a half what has actually happened is that the number of articles subject to export control in this country has been cut by about 75 per cent.

Hon. Mr. Davies: Were those reductions by order in council or otherwise?

Hon. Mr. Hugessen: I presume by order in council. When articles come into free supply, and there is no apparent necessity to subject them to export control, the policy has been to remove them from the list.

Hon. Mr. Haig: I am very much interested in knowing why controls are being continued at all.

Hon. Mr. Hugessen: I will try to answer my honourable friend in a few moments.

When I spoke on this subject last, in 1948, there were 67 commodities subject to import control in Canada; as of the 20th of July last, that number has been reduced to 5. The general purview of this bill, in respect of articles subject to control, has been very substantially reduced.

I should like now to answer briefly the question by the honourable leader opposite (Hon. Mr. Haig). His question was: Why are any controls still necessary? First, the only materials of any real importance which are still subject to export control are materials of war, and they are controlled for strategic reasons. Second, and a rather important reason why war materials from this country should be subject to control, the United States has a very stringent export control on strategic materials from that country to every other country in the world, except Canada. It allows Canada to import such articles without any restriction. It is therefore necessary that our government have the power to impose export controls on such articles, so as to prevent them from being imported into Canada and then channelled through to other countries, in this way accomplishing something which would be impossible if it were sought to export them directly from the United States.

Hon. Mr. Haig: Will the honourable gentleman give as many as he can of the 137 articles which come within the restrictions?

Hon. Mr. Hugessen: I cannot very well go over each single item, but I shall give the classifications into which they fall, if that is satisfactory to my friend. I presume this bill will be referred to a committee, at which time the officers of the department will be available to give explanations and details of why any particular article on the list is subject to export control. For the moment, the various groups are as follows:

Group 1—Agriculture and vegetable products.

Group 2—Animals and animal products.

Group 3—Fibres, textiles and textile products.

Group 4—Wood and wood products.

Hon. Mr. Haig: None of those headings includes war materials.

Hon. Mr. Hugessen: Well, particular articles may be included, but I will shortly send the whole list over to my honourable friend. It continues:

Group 5—Iron and steel (including alloy steel) and their products.

Group 6—Non-ferrous metals and their products.

Group 7—Non-metallic metals, chemicals and their products.

Group 8—Arms, ammunition, implements or munitions of war; military, naval or air stores.

With regard to the limitations upon imports, there are, as I have said, only five articles subject to restriction at the present moment, and those are all subject to international allocation by some international body or other, which is the only reason why it is necessary for our government to control their import.

Hon. Mr. Euler: As the list is small, could my friend read it?

Hon. Mr. Hugessen: The articles consist of powdered milk, rice, tin and scrap iron and steel. I beg my honourable friend's pardon, there appear to be only four.

I am informed that the reason for control on the importation of rice is that the commodity is in very short world supply, and that its distribution among different countries of the world is controlled by the Food and Agriculture Organization of the United Nations. As regards tin, my information is that its supply to the world is under the control of the Combined Tin Committee.

Honourable senators, those are the explanations which have been given to me concerning the reasons for the continuation of these controls.

Hon. Mr. Nicol: Are we to understand that the export of farm products is under the control of this Act?

Hon. Mr. Hugessen: Oh, no.

Hon. Mr. Nicol: As I understand it, because of an agreement made between Canada and the United States, farm products are controlled by the general law. If that is the case, why should those products come under this Act at all?

Hon. Mr. Hugessen: Does my honourable friend refer to agriculture and vegetable products, or to animals and animal products?

Hon. Mr. Nicol: I refer to agricultural products.

Hon. Mr. Hugessen: The only products of agriculture subject to export control at the moment are, Item 1: Cereal and bakery products, comprising biscuits, breakfast cereals, and macaroni. Incidentally, I am frank to say that I do not know why macaroni is included in that list. Item 2 covers grains and grain products, including barley, oats, rye, wheat of various kinds, mixed feeds of all kinds, rice and screenings of any grain or flaxseed. I presume that wheat is subject to export control in order to enable this country to fulfil its obligations to Great Britain in accordance with the wheat agreement between that country and Canada.

Hon. Mr. Haig: And by order in council, not by legislation, we are being deprived of a market for wheat at a price much higher than we could get elsewhere.

Hon. Mr. Hugessen: No. This does not involve a prohibition of export. All the Act says is that the export of these articles must be subject to the approval of the Governor in Council—

Hon. Mr. Haig: That is the same thing.

Hon. Mr. Hugessen: —to the extent to which the products of this country may be required to supply Great Britain under the wheat agreement. I imagine that it would be quite easy to get an export permit.

Hon. Mr. Lambert: Does the list include cheese, eggs and butter?

Hon. Mr. Hugessen: Yes, it does.

Hon. Mr. Davies: My honourable friend mentioned breakfast foods. Are breakfast foods subject to control?

Hon. Mr. Hugessen: The list which I have includes the item: Breakfast cereals, except oatmeal and rolled oats.

Hon. Mr. Davies: Does the export control apply in any way to the several million dollars worth of gift parcels which are sent to Britain every year, among which there are bound to be tons of breakfast cereal?

Hon. Mr. Hugessen: I cannot answer my honourable friend's question directly, but I think that the export of gift parcels to England is provided for under other legislation.

Hon. John T. Haig: Honourable members, I do not intend to speak at any length on this subject, but I must say that I, sitting in this house as a Progressive Conservative, can scarcely believe my ears when I hear the government introduce a bill of this nature after the war has been over for more than four years, at a time when we are trying desperately to sell our goods to the world. Three-eighths of everything Canada produces has to be sold to the world. For several years we were held up on the export of cattle to the United States. It is true that in 1948 we were allowed to go into that market, and benefited largely as a result. I can understand the necessity for controlling war materials, which is about the last group on the list; I can understand, too, that certain products subject to international allocation should be controlled. I note that at a recent conference the British Government representatives, to aid the output of mines within their sphere of interest, urged the United States to buy more tin. But how can a Liberal government sponsor a measure of this kind more than four years after the war, when our country is straining every nerve to sell goods to the world, and when, if I read the press reports correctly, some members of the British House of Commons are saying that Britain has been keeping up going by buying our wheat, and that if certain conditions are not fulfilled those purchases cannot continue? I have repeated in this house many times the suggestion, which has had a very chilly reception from honourable gentlemen opposite, that we were selling our wheat to Great Britain too cheap. Now, are they buying it? They are cutting the price, and our only hope today is in the international wheat agreement. Yet, in face of restricted markets and lower prices, we are to go ahead and put export restrictions on 137 articles which we want to sell to the world. If the party in power were Tory, or Social Credit or C.C.F.—especially C.C.F.—one could understand the policy of controls, but for the life of me I cannot understand why a Liberal government—

Hon. Mr. Howard: You expected better from them!

Hon. Mr. Haig: —are putting restictions on the selling of Canadian goods abroad. I cannot understand the psychology of it—how

they think these things out. The only explanation which occurs to me is that a long period of office has so stunted their mental processes that they cannot remember what their platform was in the days gone by; that they have lost track of their old policies. I am almost persuaded that some honourable members of this house were not alive in 1919, when the famous Liberal platform was brought down. If they were, they have forgotten what it contained. I am not a philanthropist, but I would be prepared to ask someone to reprint that platform and send a copy to every honourable gentleman on the other side, so that he may know what, in the days of their opposition, the Liberal party in this country promised to do.

When I asked my honourable friend to name the articles which come within the military restrictions, he enumerated several classifications, including agricultural products.

Hon. Mr. Horner: How about milk?

Hon. Mr. Haig: Milk? They don't know what milk is made from, or they would not put restrictions on it. Butter is on the list, yet we are loaded to the eyes with butter. We lost $9 million on a little deal in it made by the government about eight months ago.

I do not know what stimulates honourable gentlemen opposite to fight for such a bill. I cannot understand how my honourable friend from Churchill (Hon. Mr. Crerar) and the honourable senator from Waterloo (Hon. Mr. Euler) can stand that kind of politics. They must be very uneasy. How can they sleep in their beds—

Hon. Mr. Copp: They look happy.

Hon. Mr. Haig: —knowing that they support such legislation?

Hon. Mr. Euler: I have been doing my best to get some of these restrictions removed, but my honourable friend is against me on that matter as well as others.

Hon. Mr. Robertson: I would like to undertake to help my honourable friend.

Hon. Mr. Haig: I have not finished. I thought my honourable friend wanted to ask me a question.

Hon. Mr. Robertson: I will compose myself in patience.

Mr. Haig: There is no hurry. We have plenty of time to consider this bill, and I am in no haste to have it go to committee. But when it does go to committee—whose department has to do with this? Trade and Commerce?

Hon. Mr. Hugessen: Yes.

Hon. Mr. Haig: Well, the minister is a good explainer, and it will be very nice to have him there trying to make an explanation.

I am neither a prophet nor the son of a prophet, but I tell the honourable senator from Inkerman that, though this bill may be passed, in my opinion it will be inoperative before the two years are up and all its restrictions except those relating to war materials will disappear. I suggest further that two years hence, instead of demanding restrictions, the government will be looking desperately for markets. Already the Englishman is saying "If you want to sell us your wheat, cattle, hogs, butter or cheese you have got to buy our goods." But what about the people in our country who make manufactured goods? The government does not seem to think about them. In my small province, in the city of Winnipeg, there are people engaged in manufacturing articles with which British imports are in competition. Already many of our garment workers are in receipt of unemployment pay. They accuse the merchants of caballing against them. That sort of thing is going to happen all over this country. The editor of the *Free Press*, a Winnipeg publication of some note, is telling us that the farmers, the fishermen and the forest producers should come first. But if their interests are to be preferred, what is to happen to the workers in our cities, towns and villages, especially in Ontario and Quebec?

A week or two ago I asked the leader of the government here what it was intended to do as a result of devaluation. To date he has been just as helpful as his colleagues in the other place, who have not given any answer—and neither has he. I am not saying there is any answer: perhaps we have just got to wait and see. But please do not put further restrictions on exporting. Let us, if we can, sell our goods in the markets of the world. Our difficulty is that we have so restricted our selling that some of our very best customers have been lost.

Hon. Mr. Duff: Why not take restrictions off imports and have free trade?

Hon. Mr. Haig: I expect you will do that. But now you are going the other way.

Hon. Mr. Duff: I agree with you.

Hon. Mr. Haig: I am glad that the honourable member for Lunenburg (Hon. Mr. Duff) realizes the import of this bill, and I hope that when it gets to committee he will join me in trying to find out why it is necessary to impose any restrictions, excepting those on war materials or those affected by international agreements. Certainly the sale of agricultural products should not be subject to restrictions.

Hon. Mr. Duff: In opposing restrictions, do you include imports as well as exports?

Hon. Mr. Haig: There is only one item which affects imports.

Hon. Mr. Duff: If you are going to be a Grit, be a good one.

Hon. Mr. Haig: The way things are now, I don't know where I stand. I was brought up to believe that we should allow our people to sell their goods any place in the world that they wanted to.

Hon. Mr. Duff: Hear, hear.

Hon. Mr. Haig: I was also taught that if we wanted to build a sturdy nation in Canada we had to diversify our industries all over this country. I say quite candidly that my experiences during the wars of 1914-1918 and 1939-1949 have taught me that those who advocated a certain amount of industrial development in this country were not indulging in a waste of words, because we certainly did a great job in the line of industrial production, particularly during the last war. So I am wary about drifting away from a safe anchorage, something I know about, to moorings of which I know nothing. My Liberal friends, who are now bringing in restrictions and controls, might accuse my party of voting to keep foreign goods from coming in, but I do not think it can be said that we ever tried to prevent our goods from going out. Yet my honourable friends opposite are doing both things—why, I don't know.

I am willing, in fact I am delighted that this bill should go into committee, but I would ask the minister whose department this bill affects, when he has read the platform of the Liberal party—either that of August 1948 or of August 1949, or both—why it is necessary four years after the war to restrict the export of one hundred and forty-seven articles. I would like to know.

Hon. Wishart McL. Robertson: Honourable senators, I am keenly interested in the argument advanced by my honourable friend opposite (Hon. Mr. Haig), and his apparent inability to grasp the reasons behind the presentation of this legislation. Employing the skill with which he is so well equipped, he of course picked one particular item from among many which my honourable friend from Inkerman (Hon. Mr. Hugessen) endeavoured to cover.

I do not propose to give any explanation now, because information may be secured on any particular item; but on the point raised by my honourable friend opposite (Hon. Mr. Haig), that this legislation is completely at variance with Liberal principles and ideas, I want to say to him that since the war the administration of my party has had one dominating thought—the general welfare of the whole community. Further, in its endeavours to accomplish this end, I would suggest to my honourable friend that the record of the Liberal government during this period will never suffer by comparison with that of the government with which he was associated after the First Great War. I remember the predictions made by my honourable friend opposite as to what would happen a year or two after the late war if the then government was continued in office; but I want to ask honourable gentlemen opposite—who are radiating apparent affluence, good spirits and happiness—if they are not themselves enjoying the prosperity and success which has attended the efforts of this government? There has never been a government in Canada which has produced better results than the present one so far as the welfare of all classes is concerned.

Hon. Mr. Horner: That is the same old story.

Hon. Mr. Robertson: I would remind my honourable friend (Hon. Mr. Horner) that the proof of the pudding is in the eating. The community which he represents was never as prosperous as it is today.

Hon. Mr. Aseltine: I would be a lot better off if I were allowed to sell my wheat at the right price.

Hon. Mr. Robertson: My honourable friends were never so well off as they are today, and Canada's business interests were never in a better position to face the future. Our individual savings are higher and the country's finances are better in every way, shape and form.

Hon. Mr. Leger: You can say we have never been taxed as much as we are today.

Hon. Mr. Robertson: The far-sighted administration of our government as it has related to all phases of Canadian business in the years since the war is at complete variance with the administration of the Conservative party in the years following the first war.

Some Hon. Senators: Hear, hear.

Hon. Mr. Horner: You might add that we have never been taxed so high.

Hon. Mr. Robertson: And we never had so much money with which to pay our taxes.

Some Hon. Senators: Oh, oh.

Hon. T. A. Crerar: Honourable senators, I am quite sure my colleagues in this house will not be surprised to hear me make a few observations on this bill.

Hon. Mr. Haig: I had hoped you would.

Hon. Mr. Howard: Especially since you were pointed out.

Hon. Mr. Crerar: Before I do so, may I, as an old believer in freedom and liberty, wholeheartedly welcome the leader of the opposition (Hon. Mr. Haig) to our ranks.

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Crerar: By his speech this afternoon he has shown that he has become a flaming apostle of freedom and of liberty; and those who believe in these great principles must welcome him into their midst. But my satisfaction at the honourable gentleman's—

Hon. Mr. Euler: Conversion.

Hon. Mr. Crerar: —conversion to the support of these great principles is doubly enhanced at this time, because there were occasions when he did not see the light as he does today.

Honourable senators, by the creation of the Wheat Board for the marketing of grain, the honourable Mr. Bennett introduced one of the first controls of the kind ever to be imposed in Canada. I did not hear my honourable friend (Hon. Mr. Haig) offer any criticism of Mr. Bennett's action at that time. In fact, if my memory serves me right, my honourable friend, as was his privilege, supported that platform during the election of 1935. I do not offer this as undue criticism of my honourable friend.

Hon. Mr. Haig: Let me correct my honourable friend from Churchill. Since then, thanks to Mr. Bennett, I have become a member of the Senate.

Hon. Mr. Crerar: Well, perhaps that had an effect.

Some Hon. Senators: Oh, oh.

Hon. Mr. Crerar: As to the principle of this legislation, I warmly support anything that might contribute to our strength, either directly or indirectly, in the issues which are in conflict today. But it goes a great deal further than that. In response to questions as to the scope of export controls, the honourable member from Inkerman (Hon. Mr. Hugessen) read under various headings, the items of commerce that the government can control in matters of export. I venture to submit that scarcely anything enters into Canada's export trade that does not come within the four corners of the main items read by the honourable senator from Inkerman. I am wholly in agreement with the leader opposite (Hon. Mr. Haig) in his contention that it is time we started to get away from export controls; and I hold equally strong views on the matter of import controls.

Hon. Mr. Duff: Hear, hear.

Hon. Mr. Crerar: There was a time, and I am afraid it was a long time ago, when by customs tariffs—for which I have never had much use—the importer and the citizen knew what handicap he was under when he attempted to import goods; but today, by various regulations, restrictions and other devices, the average citizen does not know where he stands when it comes to the importation of goods.

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Crerar: I submit that this is a distinct barrier to the development of our international trade, which is of the very highest importance.

Hon. Mr. Duff: You are quite right.

Hon. Mr. Crerar: When we look around the world today and see the conditions with which we may be faced, does it help a Canadian merchant, when exporting a commodity, to have to approach an official of some board in order to get permission to do so? Does it help if the individual citizen has to go to some public authority here in Ottawa or elsewhere and get permission to import, for instance, an automobile from the United States?

Hon. Mr. Euler: And be refused.

Hon. Mr. Hugessen: That is not under this Act.

Hon. Mr. Crerar: These are the things that interfere with trade. During the postwar period there has been built up, not only in this country but in some other countries as well, a gigantic system of controls. It is based wholly, in my judgment, upon a fallacious theory which, roughly stated, is that there are associated with government here and elsewhere individuals who can plan and organize the economy of a country better than the great mass of people can do it for themselves.

Hon. Mr. Duff: Hear, hear.

Hon. Mr. Crerar: Trade is something that should be worked out in the market place. I venture to say that if during the last three or four years the world had been free from all the trading restrictions of one kind and another that have been imposed upon it, the economic condition of Canada and of many other countries would be a great deal better than it is at present.

This bill is going to a committee, and we shall have an opportunity to get further information upon it. But the older I become and the more I observe of what goes on around me, the more I am convinced that the sooner we free commerce from these

restrictions and controls the sooner will there be a chance of our moving forward into better times and better conditions.

Some Hon. Senators: Hear, hear.

Hon. Mr. Hugessen: If no other honourable member desires to speak I will close the debate. I do not know that there is much I can say in reply.

Hon. Mr. Duff: Move the six months' hoist.

Hon. Mr. Hugessen: I fully agree with the statement made by a number of honourable members, that the sooner we get away from these controls the better, and I think the government is doing a fairly good job in getting away from them.

Some honourable senators who spoke would appear to have forgotten the figures I gave in my introductory remarks. In the last eighteen months the number of commodities subject to export control has been reduced from 542 to 137; and in the same period the number of commodities subject to import control has been reduced from 67 to 4. So I think it can be said that in administering this Act the government has been fully conscious of the necessity to remove as soon as possible as many articles of trade as it can from the requirements of import or export control.

In my enumeration of the different classes of articles subject to export control I may have misled my honourable friend from Churchill (Hon. Mr. Crerar). For instance, when I referred to animals and animal products I did not mean that all kinds of animals and all kinds of animal products were subject to export control, but only those classes of animals and animal products which are specified in this list.

Hon. Mr. Crerar: Will my honourable friend state which ones are not subject to control?

Hon. Mr. Hugessen: I can give the information in part. In doing so I perhaps might support the statement of my honourable leader (Hon. Mr. Robertson) as to the care with which the government has been looking after the affairs of the nation. For instance, there is a restriction on the export of hogs, but nevertheless there are certain important exceptions to that restriction. My honourable friend may not export hogs, as hogs, but he may freely export brains, casings, ears, feet, hearts, hog brains, bungs, hog bung caps, kidneys, livers, scalps, skins, snouts, stomachs and tails.

Hon. Mr. Copp: Things we do not want for ourselves.

Hon. Mr. Duff: What about the squeal?

Hon. Mr. Crerar: That is a very impressive list, but may I ask my honourable friend another question? Under this legislation would the government not have power to reimpose export restrictions on any of these articles?

Hon. Mr. Hugessen: Yes, but only subject to the conditions imposed in the legislation itself. In other words, the government could not reimpose export control on any article unless there was such a shortage of that article in Canada that restriction of export was deemed necessary, or unless restriction was made necessary by international allocation, or unless there was some other condition which the Act recognizes as justifying restriction.

Hon. Mr. Euler: It seems to be the desire of most members of the Senate and of the general public that these restrictions be removed just as soon as possible. That being so, I am curious as to why the authority to restrict exports and imports is to be extended in this instance for two years instead of for only one year, as before.

Hon. Mr. Hugessen: My honourable friend is incorrect as to the previous extension. That was passed at the session of 1948, and was for a period of two years, the same as is asked for in this bill.

Hon. Mr. Euler: It is too long.

Hon. Mr. Lambert: I would suggest to the honourable gentleman from Inkerman (Hon. Mr. Hugessen) that he request not only the Department of Trade and Commerce but the Department of Agriculture as well to have appropriate officials present when this bill is considered in committee. I make this suggestion because it is quite clear that the major items for which export permits are necessary are commodities which today are covered by bilateral trade agreements, food agreements. Most of those agreements, I believe, expire in 1950, but so long as they exist they require a series of permits. Representatives of the Department of Agriculture should be present to tell us what supplies of various foods are on hand. I am thinking particularly of cheese, butter and eggs, because I definitely know that surpluses of these commodities have been held in storage in this country against the obligations of food treaties, although they could have been more profitably sold elsewhere.

Hon. Mr. Hugessen I think my honourable friend's suggestion is a very valuable one. I quite agree that in the circumstances we should require the presence at our committee of the appropriate officials from not only the Department of Trade and Commerce but also from the Department of Agriculture.

Hon. Mr. Haig: I am interested in a question raised a few moments ago by my honourable friend from Churchill (Hon. Mr. Crerar), as to the power of the government to reimpose controls. Who decides whether the conditions that exist warrant the imposition of control on a specific commodity? Is it not the government who decided that?

Hon. Mr. Hugessen: Yes.

Hon. Mr. Kinley: The explanatory note, as one reason for extending the life of the Act, says that import control is required with regard to goods that are subject to price support. It seems to me perfectly reasonable that if the government is paying out subsidies to support the prices of certain goods there should be some control over the import of those goods.

Hon. Mr. Haig: But we are dealing with exports.

Hon. Mr. Robertson: Both.

Hon. Mr. Haig: But principally exports.

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.

NATIONAL TRADE MARK AND TRUE LABELLING BILL

SECOND READING

On the Order: Second reading of Bill A-4, an Act respecting the application of a national trade mark to commodities and respecting the true descriptions of commodities.—Hon. Mr. Robertson.

Hon. Mr. Robertson: Honourable senators, I have asked the honourable gentleman from Toronto (Hon. Mr. Campbell) to move second reading and explain this bill. I may say that a similar bill was introduced here last session and, after having been amended in committee, was passed and sent to another place, but parliament was dissolved before the bill had been fully dealt with there.

Hon. G. P. Campbell moved the second reading of the bill.

He said: Honourable senators, this measure is similar to a bill which was before parliament last session. That bill was given first and second readings here, was considered in the Committee on Banking and Commerce, which amended it and returned it to the house, where it was read the third time and passed and was sent to the other place. Unfortunately, parliament dissolved before it could be considered there. Hence it is necessary to reintroduce the measure. For the benefit of honourable senators who were not present when the subject matter was explained before, I shall take a few minutes to outline the proposed legislation.

This is not in any way new legislation, its objectives already being covered by the Dominion Trade and Industry Commission Act, 1935, chapter 39, which provides for a national trade mark and the setting up of a commission to function under the Act. That arrangement, however, was found to be unsatisfactory, and the powers of the commission were transferred to the Department of Trade and Commerce, to be vested in the minister.

Since that amendment, I think in 1939, a number of firms have asked permission to use the national trade mark. Under the existing Act it was not considered feasible to grant this permission for the reason that once it had been granted there was not sufficient control vested in the minister or in the Governor in Council to cancel the privilege in the event of goods bearing the trade mark not meeting the required standards when sold or offered for sale.

The bill now before us provides a workable measure to deal with three specific subjects. First, the use of the words "Canada Standard" or the initials "C.S." as the national trade mark; second, the establishment of commodity standards for products to which the national trade mark may be applied; and third, accurate labelling of commodities.

Dealing first with the use of the national trade mark, I may say that its use is wholly voluntary. Any industrial firm or individual engaged in trade and commerce can apply for the privilege of using the national trade mark. When this application is made a sample of the goods to which it is proposed to attach the national trade mark must be submitted for inspection. If the goods meet the required standards permission to use the trade mark is given. The bill provides that should the goods at any time fall below the required standard, the trade mark may be cancelled. As I have said, the use of the trade mark is voluntary, there being nothing compulsory about it, except to maintain the standard of quality once permission to use the trade mark is granted.

On the question of the establishment of commodity standards to which the trade mark may be applied, I may say that existing legislation authorizes the setting of standards for any goods offered for sale. The proposed measure makes no such provision except for goods as to which permission to use the national trade mark is sought and given.

As to the accurate labelling, the bill provides that when a person offers his commodities for sale and labels them in such a way as to induce people to buy because of their reliance on statements appearing on the label, those statements must be true and accurate.

The bill also provides that infringements of the regulations shall be subject to penalties.

In view of the fact that this measure is exactly the same as the one passed by this house, after amendment, last session, I am wondering whether honourable senators will feel that it should be referred to a committee.

Hon. Mr. Leger: Have those amendments been incorporated in this bill?

Hon. Mr. Campbell: Yes. I am informed that the bill is an exact duplicate of the one that passed this house last year.

Hon. Mr. Aseltine: No change whatsoever?

Hon. Mr. Campbell: No change whatsoever. It may be that honourable senators may wish to hear officials from the department, or to examine the proposed legislation more carefully in committee. However, as it is an exact duplicate of the previous bill, I should not think it need be referred to committee.

Hon. Mr. Farris: Are there any complaints on record since last session?

Hon. Mr. Campbell: I understand there are no complaints. Various parties were heard last year, and no objection was taken to the measure.

The Hon. the Speaker: Honourable senators, the question is on the second reading of Bill A-4, an Act respecting the Application of a National Trade Mark to Commodities and respecting the True Description of Commodities. Is it your pleasure to concur in the second reading of this bill?

Some Hon. Senators: Carried!

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

REFERRED TO COMMITTEE

Hon. Mr. Kinley: Honourable senators, I recall the bill that was before the house last session. It had rather startling and far-reaching aspects, which might be detrimental to our trade—

The Hon. the Speaker: May I remind the honourable senator that the bill has been read a second time, and that there is now no motion before the Chair.

Hon. Mr. Kinley: Mr. Speaker, I was about to move that the bill be referred to the Standing Committee on Banking and Commerce. It is a very important measure, and was strongly opposed in certain sections of the community.

Hon. Mr. Copp. There is no objection to the bill being referred to the Banking and Commerce Committee.

Hon. Mr. Kinley 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, October 27, 1949

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 communication from the Assistant Secretary to the Governor General, acquainting him that the Right Honourable Thibaudeau Rinfret, acting as Deputy of His Excellency the Governor General, would proceed to the Senate Chamber this day at 5.45 o'clock for the purpose of giving the Royal Assent to certain bills.

APPROPRIATION BILL NO. 6

FIRST READING

A Message was received from the House of Commons with Bill 118, an Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1950.

The bill was read the first time.

SECOND READING

The Hon. the Speaker: When shall this bill be read a second time.

Hon. Wishart McL. Robertson: With leave of the Senate, now.

When the last interim supply bill was before us, the Senate was given a review of all the supply voted in the last session of the preceding parliament. I propose now to mention it only briefly. Prior to the dissolution of the last parliament six-twelfths of the general estimates had been voted. In certain instances additional sums over and above the six-twelfths were voted. These were cases in which the additional expenditures were required at the beginning of the fiscal year. At the same time parliament voted one-sixth of the supplementary estimates for Newfoundland. As was the case in the general estimates, certain sums in addition to the six-twelfths were voted. Last month we voted one-twelfth of the general estimates, one-twelfth of the Newfoundland supplementary estimates, one-twelfth of the further supplementary estimates, and certain additional sums that were required in special cases.

The bill before us, honourable senators, which in form is practically the same as the one presented in October, asks for a further one-twelfth of the general estimates, one-twelfth of the Newfoundland supplementary estimates, one-twelfth of the further supplementary estimates, and certain additional sums for special cases.

By section 2 of the bill it is sought to vote one-twelfth of the general estimates, with the exception of three items, the present requirements of which have been met, thus making it unnecessary to ask for additional amounts.

The purpose of section 3 is to vote three-twelfths of item 559 in addition to the one-twelfth voted under section 2. The explanation of this vote is contained in schedule A. On November 1 of this year certain bonds in relation to the Montreal harbour fall due, and this sum is required to retire them. As regards this item, I confess, in anticipation of being questioned about it, that I am not quite clear at the moment why items relating to the retiring of maturing bonds appear both under schedule A and schedule B. I have not been able yet to secure a precise explanation. When introducing the item in the other place, the minister said that it was the result of a failure to anticipate exactly the amount that would be required up to the end of November for the maturing bonds. He did not give any further explanation, but I take it that it has to do with the retirement of these bonds and the necessary amount to take care of them.

Hon. Mr. Duff: May I ask the honourable leader (Hon. Mr. Robertson) if copies of Bill 118 are available to honourable senators?

Hon. Mr. Howden: Yes, there is a copy of the bill in your file.

Hon. Mr. Duff: Thank you.

Hon. Mr. Robertson: Section 4 would vote one-twelfth of the supplementary estimates (Newfoundland). Item 681 is excepted because it has been sufficiently provided for. Section 5 would vote one-twelfth of the further supplementary estimates. Section 6 would vote additional nine-twelfths of the amount of items 779 and 935 in the further supplementary estimates. These items are shown in Schedule B of the bill. These sums also are required for the retirement of bonds falling due on November 1 in relation to Montreal harbours. That is an item to which I have already referred.

Item 779, nine-twelfths of which is now contemplated, is for Canada's contribution to the International Children's Emergency Fund.

The total sum proposed by the bill is $130,155,283.99. In no case does this bill, or any other supply bill passed in relation to the fiscal year 1949-50, vote the total amount of any item in any of the estimates. The passage of this bill, of course, in no way prejudices the right of any senator to discuss the items dealt with when the general supply bill comes before us.

Hon. John T. Haig: Honourable senators, I do not intend to indulge in a budget debate. A speech recently made by the leader of the opposition in another place appealed to me most keenly. The pith of it was that parliament ought to try to devise a new way of dealing with estimates so as to make greater progress with them. I am entirely in agreement with that idea, and if such a policy could be worked out I think both houses of parliament could give much better consideration to the estimates. It is now the practice to refer the railway estimates to a subcommittee, and it is my understanding from the speech that the agricultural estimates, public works estimates, and so on, would be referred to special committees. I know I am repeating myself—and I do not do so just for the sake of repetition—when I say that honourable senators are of little use to the Parliament of Canada in helping to direct expenditures. The reason is that the estimates are not placed before them until the very last moment. There is no use saying that we can hold up the estimates and keep the other place waiting. It is pretty difficult for one to dictate a letter on some important matter when seven or eight people are outside one's office waiting to see one; and, figuratively speaking, the House of Commons is just outside our door waiting for us to get through with the estimates. I am wondering whether at the opening of the next session the Chairman of the Standing Committee on Finance could not place a special resolution on the Order Paper which would authorize us to consider this question. We could summon the Finance Department officials before our committee and ascertain what objections, if any, they would have to such and such a program. For instance, the rules could be amended, so that when the other place got through with the railway estimates a bill could be brought in and be sent over to us.

Hon. Mr. Sinclair: The other house votes the railway expenditures of the past year, not railway estimates.

Hon. Mr. Haig: I know, but that house has a special committee on railways.

Hon. Mr. Sinclair: Not on estimates.

Hon. Mr. Haig: It is the same thing.

Hon. Mr. Sinclair: No, it is not.

Hon. Mr. Haig: It amounts to the same thing. If I am on a committee examining what the railway has spent in the past year I immediately ask the officers "What do you expect will be spent this year?" Then they will give their estimate of this year's expenditures. I know, because I have been on committees.

Hon. Mr. Sinclair: But they do not vote railway estimates in the other house.

Hon. Mr. Haig: They will vote this year to cover a deficit of about $40 million.

Hon. Mr. Sinclair: After it is all spent.

Hon. Mr. Haig: It is gone, but it will be voted this year.

Hon. Mr. Sinclair: That is not an estimate.

Hon. Mr. Haig: It is an expenditure. That is what I am talking about. I do not care whether you call it an estimate or not.

Hon. Mr. Sinclair: It is an expenditure, but you called it an estimate.

Hon. Mr. Haig: Every member of this house, including my honourable friend, knew what I meant.

Hon. Mr. Sinclair: I knew you were wrong.

Hon. Mr. Haig: If we do not do something along the line I am suggesting, we cannot render any service at all in that department of government. And besides, our sessions could be greatly shortened if the other house would deal with the estimates in special or standing committees. Those of us whose homes are not in Ontario and Quebec—in other words, who have to stay in Ottawa week after week and month after month during most of the session—know what is done in another place, because we sit in the gallery over there and listen for hours at a time.

Hon. Mr. Euler: Oh, no.

Hon. Mr. Haig: We know that half a dozen men can keep the house engaged on some item in the estimates all afternoon and all night, whereas estimates can be dealt with speedily in a standing or special committee. May I illustrate by referring to a bill that we have had before us here this session? It may not be strictly according to the rules for me to do so, and I want to avoid hurting the feelings of my honourable friend from Queen's (Hon. Mr. Sinclair).

Hon. Mr. Sinclair: Go ahead.

Hon. Mr. Haig: In our committee on Banking and Commerce the other day we discussed the Bankruptcy bill. I am a member of that committee, and though I say so myself, I feel that we did a fine piece of work. If the bill had been debated in Committee of the Whole, as the estimates are dealt with in another place, we would have talked here by the week. But when you have a piece of legislation before a standing or special committee you can call witnesses, get their answers at once, and discuss the matter over the table. In two or three meetings of a committee like that you get more

work done than you would in four weeks of discussion in Committee of the Whole. I suggest that we should try to discover some method whereby the other house may become more efficient in the handling of estimates or expenditures, and we should make this effort not only for the sake of honourable members of that place but for our own sake as well. I urge the leader of this house (Hon. Mr. Robertson), who is a member of the government, to suggest to his colleagues that serious consideration be given to this question.

Hon. Mr. Hardy: Honourable senators, this house has nothing to do with the control of finances. It may think it has, but the fact is that it has not. I believe that the last time an attempt was made by the Senate to amend a money bill was in 1872. In my opinion we shall be wasting a lot of time if we discuss all these estimates, because from a practical viewpoint—I emphasize the word "practical"—we in this house have nothing at all to do with money bills. If we go into estimates at all we shall simply be duplicating work that is done in another place. I repeat that, whatever we may think, the fact is that in practice we have not the power to amend money bills.

Hon. Mr. Roebuck: Honourable senators, I wish to congratulate the leader of the opposition (Hon. Mr. Haig) upon calling attention to this matter, though this is not the first occasion within my experience on which the subject has been discussed in this chamber.

I am astounded at the utter laxity with which we consider the expenditure of the taxpayer's money. No county council would leave to the county officials the responsibilities concerning expenditures which, by all governments of Canada for many years, have been left to the civil servants. The estimates to be brought down are prepared by civil servants, not by parliament; they are consented to by the minister concerned—undoubtedly they are passed by the cabinet—and are then presented on the floor of parliament. Frequently the minister knows so little about the proposals for expenditures that he calls on civil servants to sit in front of him and tell him what they are all about. I am not criticizing the man; I am criticizing our system for the approval of expenditures.

In the Congress of the United States there are appropriation committees, and when it is proposed to spend money the proposals are submitted to one of the committees; the officials, who in some way are responsible for the proposals appear before the committee, and are cross-examined over the table, as the leader opposite has suggested should be done here.

It may be that we in this chamber have little authority in the matter of expenditures. It is my understanding, however, that, although we cannot initiate an expenditure, we can stop any expenditure we please. I think the chief reason we refrain from doing this is that we know very little about the details involved. If the suggestion that has been made here today were carried out, and the various departments presented their proposals to a committee of the House of Commons to be considered around the table, the debate which follows would be vastly improved; it would be an informed discussion and not the rambling debate that takes place today. I see no reason why representatives from this house should not sit on such committees with the representatives of the House of Commons.

At the present time the estimates, which are proposals for expenditures, are laid before the house. Apart from those sitting on the treasury benches, nobody has any inside information, and the discussion wanders all over the lot; anybody may bring up any subject he likes, and the debate is unnecessarily prolonged. Even the chairman is scarcely in a position to insist on relevancy. But if the members had some real knowledge of the details of the expenditures, and the reasons for them, those who are expected to take the responsibility of voting both here and in the other place, would participate in the discussion, and the debate would be intelligent and useful to the public.

How such a suggestion as has been made is to be put into practice, I do not know. I am no authority on the question, but I believe that we should keep the subject alive. For that reason I congratulate the leader opposite for bringing it up. Let us have a little more discussion on it.

Hon. Wishart McL. Robertson: Honourable senators will perhaps recall that when the supply bill was passed about a month ago I was not in the house. I did, however, read the remarks of the leader opposite and others, and I find no fault with what was said. I rather anticipated that the question would come up again today.

I am frank to admit that it is always with a certain hesitancy that I present the interim supply bills and the final budget bill. I have, however, followed the traditional method, pointing out to the house that in voting interim supply honourable senators do not deprive themselves of the opportunity of raising any question they like in the debate on the budget. I make that observation knowing full well that, in keeping with the practice, it is very doubtful that there will be any extensive debate on the budget.

Generally speaking, when the budget resolutions have been passed, together with all the other business, the other place is ready to call it a day. Whatever rights we in this house may have to continue the discussion, as was mentioned by the honourable leader opposite—and no doubt we have the right—it is very seldom that we take advantage of it.

I heartily agree with the remarks of the honourable leader opposite (Hon. Mr. Haig) and the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck); but as to the exact method of implementing the suggestion made, or the wisdom of my conferring with my colleagues on the procedure in the House of Commons, I am not sure. The fact remains that it is possible for us to inquire into expenditures a great deal more than we have done in the past. On various occasions we have referred budget questions to one of our standing committees. In my time here it has been done on one or two occasions, and I think it was done several times previously.

In anticipation of the discussion on this subject, I brought to my desk this afternoon a resolution which I am content either to move now and ask for concurrence of the Senate, or to hand in as a notice of motion. At this stage of the session it might be practical to implement such a resolution.

The resolution contemplates that those who are interested in budget questions will ask to have witnesses called and arrangements made for their attendance. In this respect I must always keep in mind the fact that the committees of this house, particularly the Divorce Committee—in the work of which both the leader opposite (Hon. Mr. Haig) and the deputy leader (Hon. Mr. Aseltine) take an active part—are very busy. I think perhaps the Divorce Committee has pretty well concluded its business; therefore this may be an appropriate time to bring forward the proposal, however imperfect it may be. I will not now move the resolution, but shall read it to the house, and if it is the desire of honourable senators, I will give notice of motion. It reads as follows:

That the Standing Committee on Finance be authorized to examine expenditures proposed by the estimates laid before parliament, and by budget and other resolutions relating to proposed financial measures of which notice has been given to parliament, in advance of the bills based on the said estimates and resolutions reaching the Senate.

As I have said, honourable senators, I anticipated criticism similar to those expressed a month ago, and I can find no fault with them. Constitutionally, it is within our ability to reduce expenditures if we see fit.

I have just been handed a document entitled "Rights of the Senate in matters of Financial Legislation", prepared in 1918 by the Honourable W. B. Ross, K.C. The first clause of its conclusions reads as follows:

That the Senate of Canada has and always had since it was created, the power to amend bills originating in the Commons appropriating any part of the revenue or imposing a tax by reducing the amounts therein, but has not the right to increase the same without the consent of the Crown.

Whether or not we shall do that is a matter for consideration.

Hon. Mr. Roebuck: May I ask what was the reference?

Hon. Mr. Robertson: The reference is to the report of the special committee appointed to determine the rights of the Senate in matters of financial legislation. The chairman was the Hon. W. B. Ross, K.C., and the document is dated Thursday, May 9, 1918.

Hon. Mr. Farris: Do the names of the other members appear?

Hon. Mr. Hardy: May I ask the honourable leader if the Senate has ever attempted to follow the conclusions as to its rights which were set out in the report?

Hon. Mr. Robertson: Not in my time.

Hon. Mr. Hardy: Not since 1873.

Hon. Mr. Haig: Yes, they did. They cut down the railroad appropriations in one case, and defeated the bill which contained them.

Hon. Mr. Davies: I assume that the leader of the government is discussing the question of consideration by a committee of the estimates, after they are brought down. If I correctly understood the leader of the opposition (Hon. Mr. Haig), his suggestion was that the estimates should be considered by a committee before they were put before the house.

Hon. Mr. Haig: Oh, no.

Hon. Mr. Davies: And the estimates, I take it, are part of the government's policy.

Hon. Mr. Robertson: On the question of the propriety of referring to a committee estimates or budget resolutions which have not formally come to us, the senator from Kingston (Hon. Mr. Davies) will appreciate that in practice the actual estimates and the budget resolutions do not formally come before us until the last day or two of the session. I suggest that, if we wish to avail ourselves of this right, the appropriate procedure is to move to refer the estimates to a committee, where any senators can ask that witnesses be called and heard as to any item on which information is required. Whether, following that proceeding, any honourable senator would see fit to move to reduce the amount of the estimates is a matter of detail. Certainly it

has never happened in my time, and perhaps, as was observed by my honourable friend from Leeds (Hon. Mr. Hardy), for a long time before that. But I do not think there is any question about our right so to act if we see fit. I am prepared to facilitate such action in this way. I think we have reached a stage of business at which a motion to this effect could be acted upon next week without interfering very much with the other business of the house. Of course, for it to be effective, there must be an adequate attendance and a reasonable amount of time devoted to the matter.

Hon. Mr. Haig: I wish to make one reference to the debate. All of us, I believe, will remember that the distinguished senator from Kootenay East (Hon. Mr. King) introduced this system during the war years. It did not help us a great deal, because the amount of the military estimates was practically fixed, and we could not change it.

Hon. Mr. King: We got a lot of information, though.

Hon. Mr. Haig: Yes, sir.

Hon. Mr. King: From ministers.

Hon. Mr. Haig: Useful information. As far as I know, the honourable senator from Kootenay East originated the idea, and it worked very satisfactorily.

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.

NATIONAL TRADE MARK AND TRUE LABELLING BILL

REPORT OF COMMITTEE

Hon. J. W. deB. Farris presented the report of the Standing Committee on Banking and Commerce on Bill A-4, an Act respecting the application of a national trade mark to commodities and respecting the true description of commodities.

He said: Honourable senators, the committee have, in obedience to the order of reference of October 26, 1949, examined the said bill, and now beg to report the same without any amendment.

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.

PRESS REPORT

PRIVILEGE

On the Orders of the Day:

Hon. Norman McL. Paterson: Honourable senators, before the Orders of the Day are proceeded with, I rise to a question of privilege. I wish to call the attention of honourable senators to a thoroughly stupid and unreliable article printed in this morning's Ottawa *Citizen*. It appears in the first column of the front page, and with leave of the Senate I should like to read the article now in case some honourable senators have not seen it. It is headed "Senate Reminded Newfoundland Part Of Canada" and is as follows:

> The Senate was taken to task in Commons yesterday for being out of date.
>
> The Speaker told the house about a bill from the Red Chamber entitled "An Act Respecting the British and Foreign Bible Society in Canada and Newfoundland."
>
> A. L. Smith, Progressive Conservative from Calgary West, reminded that Newfoundland was a part of Canada now.
>
> "I think the bill should be referred back to them and they should be told to get their English straight," he said.

I am informed that this article was despatched clear across Canada by the Canadian Press. It is so inaccurate and stupid that in my opinion it reflects on the Senate, and I should like to associate myself with the sentiments of the honourable senator from Ottawa (Hon. Mr. Lambert) who recently protested against the continual belittling of this body.

Some Hon. Senators: Hear, hear.

Hon. Mr. Roebuck: May I ask the honourable senator from Thunder Bay (Hon. Mr. Paterson) to explain why he considers the article stupid, and so on?

Hon. Mr. Paterson: The purpose of the bill is to delete the words "and Newfoundland" because Newfoundland is now part of Canada. The Senate is well aware that Newfoundland is part of Canada. The article reflects on the members of another place, because they evidently had not read the bill.

Hon. Mr. Davies: I did not see the article. Does it carry the Canadian Press date line?

Hon. Mr. Paterson: I made inquiries from the Ottawa *Citizen*, and was advised that it was not responsible for the article. The newspaper claimed that the article had been forwarded to it by the Canadian Press.

Hon. Mr. Roebuck: Do the letters "C.P." precede the article?

Hon. Mr. Haig: If I may be permitted, perhaps I could give a further explanation. When a bill is introduced either here or in the other chamber it carries its old title.

Hon. Mr. Howard: That is right.

Hon. Mr. Haig: The old title appeared on this bill—"An Act Respecting the British and Foreign Bible Society in Canada and Newfoundland"—and when the bill is finally passed the words "and Newfoundland" will be struck out. Perhaps I am stupid myself, because I made a similar mistake some years ago. I raised quite a racket about it in committee, and the Clerk of the Senate took me aside and judiciously informed me how wrong I was. I am not trying to excuse the other house, but I want honourable senators to know what is involved.

PRIVATE BILL

REFUND OF FEES

Hon. Mr. Paterson moved:

That the parliamentary fees paid upon the Bill Y-3, intituled: "An Act respecting the British and Foreign Bible Society in Canada and Newfoundland" be refunded to Mr. Russell M. Dick, K.C., counsel for the petitioner, less printing and translation costs.

The motion was agreed to.

DIVORCE BILLS

THIRD READINGS

Hon. Mr. Aseltine (Chairman of the Standing Committee on Divorce) moved the third readings of the following bills:

Bill N-4, an Act for the relief of Cicely Manley Sampson.

Bill O-4, an Act for the relief of Paul Paquette.

Bill P-4, an Act for the relief of Joseph Simon Adelard Barrette.

Bill Q-4, an Act for the relief of Edith Daisy Steer Catto.

Bill R-4, an Act for the relief of Gwen Pollock Harris.

Bill S-4, an Act for the relief of Sonia Eagle Davies.

Bill T-4, an Act for the relief of Evelyne Louis Steinwold.

Bill U-4, an Act for the relief of John Gilbert Speak.

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

SUPREME COURT BILL

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Robertson for the second reading of Bill 2, an Act to amend the Supreme Court Act.

45785—13½

Hon. G. H. Ross: Honourable senators, I had not intended taking part in this debate until yesterday, when my attention was directed to a speech made by the leader of the Social Credit group in the other place on the Address to be presented to His Majesty the King on the amendment to the British North America Act. If other members from Alberta remained silent, the public might form the opinion that the leader of the Social Credit party was expressing what was in the minds of Albertans generally. I am speaking now because I should not like to see that opinion go abroad uncontradicted, and I shall refer more particularly to his speech before I resume my seat.

Honourable senators, the British North America Act was designed to be a framework of government, outlining in the broadest and most comprehensive manner possible, the fundamental law of the constitution of Canada and its provinces. It confers upon the Parliament of Canada exclusive legislative authority with respect to all questions of common concern to all the people of Canada; it confers upon the provinces exclusive legislative authority in all matters of a local or private nature. The Parliament of Canada has no right whatever to legislate on matters which were allocated to provincial authority; on the other hand, the legislature of any province has no authority to legislate on matters allocated to federal authority.

Should a province feel that parliament is legislating on matters assigned to the provinces, and a contest arises, the courts have to decide which contestant is in the right and which contestant is in the wrong. That has been the procedure in the past, and notwithstanding the fact that we are abolishing appeals to the Judicial Committee of the Privy Council, that will continue to be the procedure in the future. But the Supreme Court of Canada will be our final court of appeal. I have great faith in the Supreme Court of Canada and I am very glad to have a voice in and a vote towards making it our final court of appeal.

Some Hon. Senators: Hear, hear.

Hon. Mr. Ross: I have much more faith in it than has the Social Credit party in Canada. Their leader, in speaking for his group, in the speech to which I have already referred, said:

It is our belief that the resolution should not be passed until the Supreme Court of Canada . . .

The Hon. the Speaker: I would point out to the honourable senator from Calgary (Hon. Mr. Ross) that one of the rules of the Senate provide that no reference shall be made in this house to the debates in another place. I would ask the honourable senator not to cite or allude to debates that have taken place in the other house.

Hon. Mr. Euler: Nobody is objecting.

Hon. Mr. Copp: The honourable senator from Calgary (Hon. Mr. Ross) can summarize it in his own words.

Hon. Mr. Ross: I am not criticising anyone. Another speaker in another place had this to say—

The Hon. the Speaker: The rule I am trying to maintain is that an honourable member of this chamber cannot allude to the debates in the other chamber.

Hon. Mr. Howden: Honourable senators, I rise to a point of order. I think everybody here should be treated alike. The honourable gentleman from Calgary (Hon. Mr. Ross) is not the first one who has quoted from a speech made in the other chamber.

Hon. Mr. Roebuck: Honourable senators, may I also rise on a point of order? It seems to me that what the honourable gentleman from Calgary wishes to discuss are broad general statements that might have been made anywhere. I suggest that if he would discuss these statements without attributing them to any member of the House of Commons, he would be perfectly in order.

The Hon. the Speaker: I thank the honourable member for his suggestion.

Hon. Mr. Ross: It has been stated by someone—

Hon. Mr. Haig: That is better.

Hon. Mr. Ross: It has been stated by someone:

> It is our belief that the resolution should not be passed until the Supreme Court of Canada has had time and opportunity to establish itself in the confidence of the people of this country.

The Supreme Court of Canada was established seventy-four years ago. It has had the time and the opportunity to establish itself in the confidence of the people of this country, and in the opinion of the great majority of Canadians it has done so.

Hon. Mr. Euler: Hear, hear.

Hon. Mr. Ross: As I have already pointed out, the British North America Act is essentially an enumeration of general principles. These principles must be applied and adapted to new conditions as they present themselves. In a national constitution there must be capacity for expansion, in order that its principles may fit and be applied to the every-varying phases of business and social life.

These expansions or "gaps" are quasi judicial and quasi political. In so far as they are judicial, either the Judicial Committee or the Supreme Court could be depended upon to fill them in well. In so far as they are political, I should much prefer to see them filled in by the Supreme Court. The judges of this court live in Canada. They see the practical workings of our constitution for themselves. They are much better able to fill in these gaps than are the law lords who live three thousand miles away, and few if any of whom have ever even visited Canada and had an opportunity to become familiar with the practical working out of our constitution.

Many outstanding Canadians have more faith in our Supreme Court than in the Judicial Committee, particularly on constitutional matters. One eminent Canadian, speaking at Fort William on the 23rd of January, 1939, expressed the opinion that the Judicial Committee, in interpreting our constitution, did not carry out the intention of the framers of confederation, but interpreted it too strongly in favour of the provinces. He asserted:

> As leader of the Conservative party, one of my main ambitions is to lead this province back to the plan of confederation. I advocate the strengthening of national ties and divesting the province of every conflicting authority not necessary for provincial purposes.

The honourable senator from Inkerman (Hon. Mr. Hugessen), in the very excellent speech he delivered here a few days ago, quoted the opinions of other distinguished Canadians. I think they are right. And in saying so, I do not consider that I am saying anything derogatory to the law lords. For the reasons already stated, I feel that the judges of the Supreme Court, who are in daily touch with the working out of our constitution, should be much better able to interpret it than are those whose knowledge of this country is based only upon what they read and what they hear from others.

Furthermore, at present the Supreme Court is at a disadvantage for the following reason. Appeals lie from the Supreme Court to the Judicial Committee. When a case comes before the court, the judges not only have to make up their minds as to what they can best do in the interest of justice, but they must consider precedents laid down by the Judicial Committee, and formulate decisions consistent with those precedents.

Of course, when made the final court of appeal, the Supreme Court will still be guided in a measure by decisions of the Judicial Committee and by the court's own past decisions. But it will not adhere to those decisions so slavishly in the future as it has done in the past. If the judges feel that the Judicial Committee or their own Court erred in the past, they will not continue the same error for all time, but will no doubt feel free to correct that error.

Hon. Mr. Euler: Hear, hear.

Hon. Mr. Ross: For my part, I have great faith in our Supreme Court, and I believe the people of Canada have great faith in it.

An honourable member in another place—I wonder if I am permitted to refer to a statement in that way—

Hon. Mr. Haig: No, that is not permissible. Just say what statement has been made, but do not say who made it or where it was made. We shall know, or guess.

Hon. Mr. Ross: Thank you. A question has been raised as to the good faith of the Prime Minister. Notwithstanding the fact that the Prime Minister, in opening the debate on the motion and in interrupting a member, made his position clear—

Some Hon. Senators: Oh, oh.

Hon. Mr. Ross: I am getting into trouble again.

Since the Prime Minister became leader of his party he has toured every province in Canada; he has met and made friends with tens of thousands of citizens; and the electors by their votes expressed greater confidence in him than an electorate ever before expressed in any Canadian Prime Minister. Newspapers and individuals have questioned his policies, but I never heard of a paper or individual questioning his frankness, sincerity or good faith. It is unfortunate that anyone anywhere should deliver a nasty speech reflecting on the integrity of an honourable member.

Hon. W. D. Euler: Honourable senators, it had not been my purpose to speak on this bill at all. At the moment I merely say in passing that I am entirely in favour of the purpose of the measure, and I hope that after it is passed it will be utterly impossible for Canadians to appeal to the Privy Council in any kind of case whatsoever, whether it concerns provincial and federal jurisdictions, or any other type of dispute. I hope it will not be necessary to make two bites of the cherry, and that once this bill is passed there will be no further appeal by any Canadian to the courts of another country—and Great Britain is, after all, another country.

My real purpose in rising was to refer to something that was brought to my mind by the ruling of His Honour the Speaker. I do not question that ruling at all. What I wish to refer to is an antiquated rule under which we in this house are supposed not to mention the House of Commons, except indirectly as "another place". I wonder whether anybody has ever advanced an intelligible reason why members of the Senate should not speak of the House of Commons, by its name, or, for that matter, why members of the House of Commons should not make a direct reference to the Senate. What purpose is served by prohibiting an honourable senator, as was done a little while ago, from quoting from a speech of a member of the House of Commons? By mentioning that other place I know I am violating the rule. In the few addresses I have made in this chamber I have referred to the House of Commons by its name, and I have not been called to order. But I would like to know if there is any real reason why the other place should not be referred to by its name, and also if it is in the public service to refrain from quoting from the speech of a member in the House of Commons. I know of no political reason for such restriction, but if that is the rule, then it is unreasonable, and should be changed.

Hon. John T. Haig: Honourable members, I intend to speak for only a few minutes on this subject, but as an official of the courts in the province of Manitoba, I feel that I should say something on the measure before us. As honourable senators know, all members of the Bar are officials of the court, and it is their duty to help the court to carry out the laws of the land.

I wish to compliment the honourable senator from Inkerman (Hon. Mr. Hugessen) on the very fine historical review he gave in his speech. It was most enlightening and useful to us. I wish also to congratulate the member from Vancouver South (Hon. Mr. Farris) for giving us the benefit of his extensive research.

In the province of Manitoba there is no real demand for abolishing appeals to the Privy Council. There may be a small minority of the people in favour of it, but it is an academic subject. As the honourable member from Vancouver South said, a large number of appeals against the Dominion were taken to the Privy Council by a former premier of the province of Ontario. Until my honourable friend made reference to the pre-confederation discussions, which indicated the attitude of Sir Oliver Mowat, I never fully understood the real cause for such appeals. It is a pity that Mowat was not on the committee which drew up the resolution to which I shall refer in a moment or two.

I say quite candidly that I agree with the remarks of the honourable senator from Vancouver South (Hon. Mr. Farris) and I hesitate to criticize the member for Inkerman (Hon. Mr. Hugessen), because in his speeches he makes a great contribution to the proceedings of this house. I do not always agree with him—perhaps 99 times out of 100 I would be against him on a vote—but I must admit that he renders this house great service.

I do not think that before a body of lawyers who understood the problems of this country anyone could successfully attack the judgments

of the Privy Council down through the years. I recognize that under this proposed legislation we will have a much better Supreme Court of Canada than we now have. We may have the same judges, but they will make a better court. I say that because I know that men or women, once they are given authority to render a final decision, avoid errors which they would otherwise commit. For instance, I recall appearing before a judge in my province who disagreed with my views, and who said, "Go 'upstairs', Mr. Haig."

Hon. Mr. Aseltine: That is to the court of appeal.

Hon. Mr. Haig: I went "upstairs", and there proved that the judge in the lower court was wrong. In Manitoba, the cases are largely heard only before the lower court. Within the past year and a half, two of our trial judges have been elevated to the court of appeal—there was no question of money involved in their elevation—and I can honestly say that they do not now seem like the same two men. The reason for the change is the added responsibility. For these reasons I have no fear about making the Supreme Court of Canada the final court.

My honourable friend from Vancouver South (Hon. Mr. Farris) mentioned some men in this country who, had the question of income not been involved, would have made good Supreme Court judges. The honourable gentleman might have named several others, including Isaac Pitblado, an eminent jurist, who would have been an acquisition to any court; and I am not resorting to flattery when I say that my honourable friend would not have made a bad judge. I know that at times I would rather have appeared before him than before some others I think of. There are many eminent men who because of the standard of living which they had to maintain, and the expenses they were under, could not accept the salary offered.

I am not concerned about the proposal with respect to the Supreme Court of Canada. I am thinking, rather, of another resolution which we will subsequently be asked to consider.

I may say, Mr. Speaker, that I am not trying to circumvent the rules, and speak about that resolution now.

There has been a feeling in Canada that confederation is a compact or an agreement. It may sound contradictory, but I believe that once that compact or agreement was made, it was neither; it became an accomplished fact, a thing which stood by itself. I do not believe that the Maritime Provinces or the province of Quebec would ever have come into confederation had it not been for certain undertakings which were put in that contract, but my point is that technically and legally speaking we do not now have to go back to the provinces and ask for their approval of constitutional amendments.

Some Hon. Senators: Hear, hear.

Hon. Mr. Haig: We are dealing with this country as a whole, but we must always remember that there are ten subsidiary or secondary governments which have ambitions. Because of the great size of this country that will always be so. There is no difficulty in establishing one court for the province of Manitoba or the province of British Columbia; but when it comes to dealing with the country as a whole, it is a different matter. Of course we must have our provincial governments to deal with certain problems. Great Britain, about a third the size of my province, has none of Canada's difficulties in this respect.

My concern at the moment is this: that if we pass legislation to amend the British North America Act we will then go to the provinces and ask for their consideration. I am not changing my views on the legislation now before us, but I do think that we should at the same time discuss the resolution concerning the British North America Act. My experience as a practising lawyer has taught me that I can do more for my client's cause by going to the office of the opposing lawyer and talking to him there, than I can by writing letters to him. No one can get anywhere by passing legislation and then saying "Take it or leave it". I do not admit that there was a compact. I am persuaded that originally the intention of the Prime Minister was to have a conference. Why he changed his mind I do not know. Probably he had good reasons: at any rate I am not imputing to him any improper motives, for I do not believe he is that kind of a man. But, whether you agree with the Premier of Nova Scotia, the Premier of Quebec, the Premier of Alberta, or the head of any other province, it seems to me that a thorough discussion of the matters at issue would "smoke out" the man or men, if any there be, who are guilty of unreasonably opposing this advance—for it is an advance to put these proposals into law and to adopt an Address to amend the British North America Act.

Now the men in whom the final interpretation of our law is to be vested are the members of the Supreme Court of Canada. They, like the rest of us, are only human. It is important to remember that. My honourable friend from Inkerman (Hon. Mr. Hugessen) remarked that the United States Supreme Court is noted for the judgments it has given affecting the constitution of the United States. Its power was so great that

so eminent a statesmen as the late President Roosevelt attempted by legislation to change the personnel of the court. Because he was re-elected and time ran in his favour, President Roosevelt was able to appoint to that bench men who held views similar to his own. But I do not believe that any Dominion Government, whatever its political complexion, would deliberately select a man for the Supreme Court because he favoured the policies of that government. To my mind that is not conceivable. But if you appoint men to the bench who have been brought up in a certain atmosphere, they will carry that atmosphere to the bench.

Hon. Mr. Copp: Oh, no.

Hon. Mr. Haig: I remember that some years ago the chairman of our Divorce Committee was a very distinguished member of this house, now deceased, whose wife was a divorcee. When she got her divorce she married my friend. After some experience with him on the committee, I once said to him, "You are pretty strong for granting divorces". He said "Yes, Haig, I am. Why should I not be? I have got the finest woman in the world as a wife." I said "I agree with you." There you see how human nature works. Every man in this chamber is prejudiced by the environment in which he was reared, by the schools and the university he attended, by the city and the country in which he lived; and if he is a lawyer he will carry that environment to the bench. He cannot help it.

Hon. Mr. Beaubien: But would that affect his judgments?

Hon. Mr. Haig: I think it would. I think it would affect anybody's judgment. Certainly President Roosevelt thought so: he wanted on the Supreme Court men who had been nurtured in the philosophy of the New Deal.

Hon. Mr. Beaubien: But Roosevelt was disappointed with the men he appointed.

Hon. Mr. Haig: That may be. Perhaps the Conservative party are disappointed at the consequences of putting me in this chamber, but they cannot help themselves. Now I am here, and they cannot put me out.

Hon. Mr. Beaubien: You have become a Liberal since you came to this house.

Hon. Mr. Haig: Perhaps they don't like me for that. Maybe they want me to go back to the old party.

Hon. Mr. Leger: Maybe that is why they want to amend the constitution!

Hon. Mr. Haig: Maybe. I have not consulted them on that.

I can understand the attitude towards this question of my honourable friend from Blaine Lake (Hon. Mr. Horner) as evidenced in his speech the other day. There is, I believe, a certain amount of feeling in some parts of Canada, mainly perhaps in the province of Quebec, that we are ridding ourselves of an impediment which retards our progress to nationhood; that at present we are not quite free. I do not agree with that view. Technically it may be correct, but it is not really so. We have had the freedom of our own free impulses. As long ago as 1875, as the honourable member from Inkerman (Hon. Mr. Hugessen) pointed out, the Canadian parliament thought they were doing what we are doing today. The issue is not a new one. I would not accuse the government of acting hastily in this matter. All I am concerned to point out is that Canada is a difficult country to govern. We have a number of provinces; our distances are great; the people of one province speak a language which the majority do not understand, and *vice versa*. There is the great problem of unity. We should not do anything in haste. If a conference were successfully held, all the better. If it were unsuccessful, at least we would know where to lay the blame. I think that would be a great advantage.

In this regard our house has more responsibility than the House of Commons. Its members are the representatives of certain areas; we are here as senators, and while I have the honour to be a senator from Manitoba, and others are here from New Brunswick or Nova Scotia or some other province, all of us are here really as Canadians, to determine what is best for the unity of all Canada. We have no need to fight among ourselves on local issues. If another honourable senator from Manitoba does not agree with something I advocate, he is not exposed to derision in his own province because of that disagreement, for he has given allegiance to the higher unity.

For all these reasons I believe the provinces should be called into conference with the federal authority. As I have said, it was my impression that such was originally the intention of the Prime Minister, though I do not accuse him of changing attitudes. I am not sure that such a conference would succeed. Politics might seep in to such an extent that it would fail, but at least we should have tried. If Macdonald and Cartier and Brown had not agreed to get together and talk, this country would never have had confederation; there would have been, instead, four or five or maybe six separate and independent entities. The greatness of Canada is the result of unity, and there is not a man or woman in Canada in the last fifty years who has not praised the Fathers of Confederation for what they did. We who are in politics know

what sacrifices those men must have made to achieve that union, and if their effort was worth while, it is worth while making an effort to perpetuate feelings of unity and good will.

I am going to vote for the bill. I have no fear of the Supreme Court of Canada not being able to fulfil the functions of a Supreme Court. As regards salaries, I admit that they may have to be even greater than the amounts now proposed, because I want to see on the Supreme Court bench men of the calibre indicated by the honourable member from Vancouver South (Hon. Mr. Farris). It is true that some men will accept appointments to the bench even at a sacrifice of income, because they like that kind of work, and some I know have not made as lawyers as much as they now receive as judges; but a good many lawyers can earn very much more than judges, and at the same time enjoy greater personal independence.

I hope that when we come to consider the resolution to amend the British North America Act, some effective solution will be found. In the United States, as the honourable member from Vancouver South has pointed out, the constitution can be amended only through a vote of two-thirds of the House of Representatives, two-thirds of the Senate and two-thirds of the States. I would not favour that procedure for this country. It might be practicable to apply the two-thirds provision to the House of Commons, but I do not think it would work as far as the Senate is concerned, and difficulties would arise with the provinces in view of the fact that more than half the population is contained in only two of them.

I would say, in conclusion, that the subject should be explored more thoroughly with a view of getting, if not a united nation, a much greater degree of unity on the question.

As I said, I propose to vote for the bill. I trust that the wisdom of the Canadian people will be such as to make the new Supreme Court a success.

On motion of Hon. Mr. Roebuck the debate was adjourned.

The Senate adjourned during pleasure.

THE ROYAL ASSENT

The Right 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 Right Honourable the Deputy of the Governor General was pleased to give the Royal assent to the following bills:

An Act to amend the Exchequer Court Act.

An Act to amend the Department of Justice Act.

An Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1950.

The House of Commons withdrew.

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

The sitting of the Senate was resumed.

The Senate adjourned until Monday, October 31, at 8 p.m.

THE SENATE

Monday, October 31, 1949

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

Prayers and routine proceedings.

BRITISH NORTH AMERICA ACT AMENDMENT

ADDRESS TO HIS MAJESTY—NOTICE OF SUBSTITUTE MOTION

Hon. Wishart McL. Robertson: Honourable senators, when the Prime Minister gave notice of a motion that an Address be sent to His Majesty the King requesting the Parliament of the United Kingdom to amend the British North America Act so as to permit the amendment of the Canadian constitution in Canada, I also gave notice of a similar motion in this house. During the debate on this motion in the other place certain amendments were introduced and adopted. The result is that the Address as passed in the other place is different in form from the one which was introduced there, and also different from the one of which I gave notice in this house. It is therefore my intention, with leave of the Senate, to withdraw my original notice of motion tonight, and to give notice of a substitute motion conforming to the amendments that were adopted in the other place.

Honourable senators, with leave of the Senate I would move to withdraw this notice of motion.

The motion was agreed to, and the notice was withdrawn.

PENSION FUND SOCIETIES BILL

FIRST READING

Hon. Mr. Robertson presented Bill V-4 an Act to amend the Pension Fund Societies Act.

The bill was read the first time.

PRESS REPORT

PRIVILEGE—CORRECTION

On the Orders of the Day:

Hon. W. A. Buchanan: Honourable senators, before the Orders of the Day are proceeded with, I rise to a question of privilege. I feel that I should make an explanation to honourable senators. After last Thursday's sitting of the Senate I was called by the Chief of the Canadian Press parliamentary reporters with respect to the complaint made by the honourable senator from Thunder Bay (Hon. Mr. Paterson) about a press report that appeared in the Ottawa *Citizen* of that day. This complaint had to do with certain remarks made in the other place and which were carried in the newspaper article. In fairness to the Canadian Press I want to explain to honourable senators that that organization was in no way responsible for the report that appeared in any of the newspapers across Canada. When the representative of the Canadian Press came to see me I asked him, "Did you send this report out to any of the newspapers in Canada?" and he replied that he had not done so. I then asked him why he had not, and he replied, "We considered it too trivial".

The reason I am bringing this matter before the house at this time is that the responsibility was placed on the Canadian Press. My colleague from Thunder Bay (Hon. Mr. Paterson), when bringing the incident to the attention of the Senate, said:

> I am informed that this article was despatched clear across Canada by the Canadian Press.

The news story was not sent to any of the member newspapers of the Canadian Press, and it reached the Ottawa newspaper from some other source.

Hon. Mr. Farris: Who is responsible for it?

SUPREME COURT BILL

SECOND READING

The Senate resumed from Thursday, October 27, the adjourned debate on the motion of Hon. Mr. Robertson for the second reading of Bill 2, an Act to amend the Supreme Court Act.

Hon. Arthur W. Roebuck: Honourable senators, as this measure closely affects the honourable profession to which I belong and is to some extent within my range of experience, I feel that I should say something about it. I also feel it my duty to make my position in connection with the matter amply clear. The purpose of this bill, to use its own words, is to give the Supreme Court of Canada "exclusive ultimate appellate civil and criminal jurisdiction within and for Canada;" and to make the judgment of the court in all cases "final and conclusive", saving of course only those appeals from litigation already in progress.

As we all know, the effect of the bill is to abolish appeals to the Judicial Committee of the Privy Council in all future Canadian litigation, and, in consequence, to throw upon the shoulders of our own Supreme Court of Canada the duty of finally deciding Canadian cases, and of interpreting the law, including the Canadian Constitution, as it applies to Canada.

Now that is a very important step in the development of Canadian self-government, and one which I suspect the historians of the future will note with some pride. Of course,

one cannot say what historians will note in years to come, but it does appear to me that those who will look back upon this matter, in connection with other progress which we have made, will mention it with pride.

This bill, in my judgment, represents progress in our land. It seems to me that no nation worthy of the name would permit any other nation to constitute its courts and to control its judicial system, as we have been doing in the past, but, I am very glad to say, will not do in the future. As a Canadian, as a lawyer of some years' standing at the Ontario Bar, as a member of Parliament, I must at least express my satisfaction with the step which we are now taking.

When I have said that I have really said nearly all that is required. A long address on this subject, particularly on this night, would be inappropriate, and for three good reasons.

The first is that advocacy is at this stage quite unnecessary, because there is so little opposition to the bill that it is passing into law with almost universal consent and approval. The bill that is before us has already passed the House of Commons, and I think I am right in saying that we in the Senate are ready to pass it on to the Governor General.

A second good reason is that while the bill represents an exceedingly important constitutional and legal development, it will not be followed by any very far-reaching or drastic changes in our substantive law. At least, that is my opinion. If the constitutional amendments now in contemplation are carried into effect, the consequential changes will be very deliberate, will take place over some years, and in every instance will be only such as may be reviewed and approved by our parliament and, if necessary, corrected. So I see no danger at all to the substantive law of Canada by reason of the amendments proposed in this bill.

The third reason which makes it unnecessary for me to discuss the matter much longer is the masterly and complete address, entirely in accordance with my views, which was delivered in this house on the 18th of the month by one of our members. With the views of the honourable senator from Inkerman (Hon. Mr. Hugessen) I very heartily agree, and I congratulate him on the skill and ability with which he presented his thoughts to this house.

With that observation I might well conclude my remarks, but there are one or two points which I should like to add.

The honourable senator from Inkerman told us, in effect, that the Judicial Committee of the Privy Council exercises legislative as well as judicial functions. Of course, every court does that, to at least some extent. In countries such as Canada, where judges are expected to follow, the decisions of other judges of co-ordinate or superior jurisdiction, precedents are set and new laws are made. This is a legislative function. The distinction between the judges of the Canadian courts and the members of the Judicial Committee of the Privy Council is that our judges carefully refrain from altering an Act of parliament, and so overriding parliament itself; on the other hand, the members of the Judicial Committee of the Privy Council apparently have considered themselves beyond any such limitations. Our judges regard themselves as the servants of parliament, bound as a matter of honour and duty to carry out the Acts of the parliament which they serve. The members of the Privy Council do not so regard themselves.

The senator from Inkerman told us that the members of the Privy Council, in their interpreting of the British North America Act and in the filling in of the gaps which were necessarily left by the Fathers of Confederation in the legislation of 1867, have actually altered the fundamental enactment of the Imperial House which forms the constitution of Canada. This they have done in keeping with their own ideas of a policy suitable to the circumstances which they imagined existed from time to time in Canada. I believe the member from Inkerman proved his point.

I have in my hand a notable booklet entitled *A Study in Canadian Citizenship*, by Ira A. MacKay, M.A., LL.B., Ph.D., of McGill University, written in 1924 and widely publicized by the Kiwanis Clubs of Montreal. It is an authoritative document on the entire governmental system in Canada. In my opinion this booklet, which came to my hands through the kindness and courtesy of the senator from Sorel (Hon. Mr. David) shows so wide and accurate a grasp of our governmental institutions that I wish, with leave, to burden the house with a quotation from it.

The author says:

> The Privy Council, in a word, is a select loosely constituted body of the King's constitutional advisers and personal companions and attendants. It is at once a legislative, judicial, executive and purely private body privy to the King in person and assisting him in every human way in the government of a great people. Historically it is the lineal descendant, the apostolic successor to the old Witenagemot of Anglo-Saxon days and the *Curia Regis* of later Norman days which has never really ceased to exist from then until now.

He continues:

> What then is the Judicial Committee? The answer is that the Judicial Committee is a committee of jurists carved out of the Privy Council to act as a final court of appeal in law for the overseas dominions, just as the Imperial Cabinet is a committee carved out of the Privy Council to act as the King's executive council for the United Kingdom.

Once again:

Since the committee sits as a King's Council, it is always something more than a strict court of law and, therefore, is not bound as rigidly as other courts are bound by existing rules of law. It is not bound by the decisions of any other court of law. It is not bound even by its own previous decisions.

Hon. Mr. Farris: Does he give any authority for these statements?

Hon. Mr. Roebuck: No, but I have checked them and found them to be true.

As a King's Council it has admittedly in addition to its judicial power some slight background or reserve of legislative power. It may, if it think just and proper, arrive at its decisions on principles of policy rather than by strictly defined rules of law. It is not wholly confined to the interpretation and administration of existing law; it may upon occasion make new laws or at least adapt old rules and principles of law to new conditions overseas. In this way it is not unlike the old Court of Chancery or Equity in England which was originally designed to add some element of flexibility or humanness to the rigid, technical rules of common law in cases of marked hardship or injustice. Perhaps it is this background of legislative or political power, this element of flexibility, and the consequent element of uncertainty in the decisions of the Committee which has brought upon its head so much sharp criticism by professional lawyers in Canada and in some of the other overseas dominions.

Hon. Mr. Horner: May I ask if the person who wrote this is an associate of Dr. Marsh?

Hon. Mr. Roebuck: I could not answer that question. At all events, what I have quoted coincides very closely with the information given us by the senator for Inkerman, and I might add that it checks with my own knowledge of actual conditions before the Privy Council.

I am not here to presume to criticize the members of the Privy Council for basing decisions with respect to the Canadian constitution upon questions of policy rather than upon rules of law. But I will say this, that if changes in our Canadian constitution are to be made on such grounds, those changes should be made here in Canada, not in the United Kingdom. When in future we wish to make any important amendment of the constitution of Canada, let us make it ourselves in accordance with our own ideas of a policy suitable to Canadian conditions. That principle is, I think, elementary for any truly national Canadian. It is the purpose for which parliament is maintained.

I know there are those who would retain the court across the sea because of a belief in the supposed superiority of the members of the bench and bar who are invited by the Chancellor of Great Britain to be so-called advisers of the King in this connection. Far kine usually have long horns. An expert has been defined as "a very ordinary fellow away from home." Apparently our judges suffer somewhat from their proximity to ourselves. Perhaps it is familiarity that, on the part of some people, breeds contempt—a sentiment which I do not share. I recall the old saying from the highest source that "a prophet is not without honour save in his own country and in his own house."

As a matter of fact, honourable senators, having practised in both courts, and having met, both officially and socially, the judges both of the Privy Council and of the Supreme Court of Canada, it is my considered judgment that there is no need to disparage either court for the benefit of the other. All these are able men; all are public-spirited men and men of conscience. Finally, they are men of the same race as ourselves. That is true even of the French-Canadian members of our court: they, too, come from Normandy, the place of origin of a large section of our English-speaking people. The same type and the same class of men occupy seats on both these courts. Frankly, I hold them all in the greatest respect. Nor in the matter of education is there any general superiority of one set of men over the other. Who is there to say that our common school system, our secondary schools, our schools of law are in any way inferior to those elsewhere, or that ours are better than theirs? Nor, so far as I have been able to observe, is there anything in the intellectual atmosphere or environment on one side which makes for greater distinction than on the other. There is nothing on either side which would warrant the inquiry which Shakespeare makes in these words:

Upon what meat does this our Caesar feed
That he is grown so great?

The result of any comparison of the individuals who constitute these courts is necessarily a matter of opinion. Such a comparison, therefore, is futile; I will go further, and say that it is objectionable; it is this type of comparison which is referred to in the old saying that comparisons are odious. There are much more cogent reasons for the change that we now propose than any supposed superiority of one set of judges over another.

May I ask honourable senators what would be said were the Supreme Court of Canada to suddenly announce that its future hearings of Canadian cases would be held in London, England. Were such a preposterous proposal made, it would certainly meet with an overwhelming objection and the weaving of a crown of glory around the heads of the members of the bench would be no answer to the inconvenience and undue cost of arguing cases thousands of miles away from our own shores. Were our courts to suggest anything so utterly preposterous, our judges themselves would be laughed out of court. I know that at least some members of the Judicial Committee of the Privy Council are conscious of

the inordinate and unjust expense levied upon Canadian suitors, who are compelled to travel across the ocean to obtain decisions in their cases. One of the English judges told me about ten years ago that consideration was being given at that time to a proposal to have the Judicial Committee sit abroad: it would visit Canada, Australia, New Zealand, South Africa and other places, as occasion might require. It seems to me that, had that proposal been carried into effect, we might not now be considering the entire abolition of appeals to the Privy Council. It would be intolerable to self-respecting people such as Canadians to continue taking cases across the ocean, at an expense sometimes of many thousands of dollars, in order to have them tried in a strange environment.

There are some timid souls who feel, of course, that were we to abolish these appeals we would lose the guiding hand of these supermen across the sea, and so they have suggested that we change the rules of *stare decisis* to make the rule a matter of law; that is to say, that the usual rule followed by all courts should become statutory law. The rule that one judge follows the decision already made by another judge of a court of co-ordinate or superior jurisdiction, is a good rule so long as it remains a rule. A rule is subject to exceptions—as the old saying goes: "Exceptions prove the rule"—but to a law there are no exceptions. The value of a rule is that it may be followed when it should be followed, and it need not be followed when it should not be followed.

Should some provision of the British North America Act conflict in the future with a decision of the Judicial Committee of the Privy Council, I would expect our local judges to follow the Act and not the decision. And I think that is what they will do. One wonders how progress could be made if the present-day judges always followed the decisions of their predecessors. How could you have progress in judicial matters under such circumstances? And surely there is progress in law just as there is progress in all other things. There is progress in the breadth of conception of judges as the years go by, and as knowledge widens and sympathies increase. It would have been a sorry day indeed for the judicial progress of Great Britain had we at any time in centuries past tied our judges to the barbarisms of previous days. Honourable senators, I am thoroughly opposed—and I think most informed lawyers will agree with me—to changing a rule, which is now only a rule, into a statutory provision. I think that such a change would be a disaster of great magnitude.

So for these and for many other reasons, which I might enumerate, I congratulate the Prime Minister of Canada upon his courage in initiating this legislation. I congratulate him for attempting to bring to a close, I think for all time, the senseless and expensive procedure of carrying Canadian cases across the sea to be decided in an atmosphere which is not our own.

Some Hon. Senators: Hear, hear.

Hon. J. J. Kinley: Honourable senators, may I first of all bring attention to the fact that, except for the honourable senator from Peterborough (Hon. Mrs. Fallis) who passed on a special message of her own to which I shall later refer, so far only members of the legal profession have contributed to this debate. It appears to me that the proposed amendment to the Supreme Court Act is not entirely a legal matter. It involves the high government policy of this country, and it seems to me that any member of this house who has had any parliamentary experience can talk intelligently about the subject, and perhaps contribute something that the legal members have failed to contribute.

Hon. Mr. Aseltine: Hear, hear.

Hon. Mr. Kinley: Honourable senators, this is an Act to amend the Supreme Court Act, and the effect of it is to abolish appeals to the Privy Council. I have listened most attentively to the speeches that have been made by the eminent legal members of this chamber, and I must say that they were most interesting. They brought to mind many of the things I have learned about the British North America Act, and especially the fact that we are so dependent upon outside assistance to carry on the internal functions of our country.

During this debate I listened to the specialists: I heard a splendid speech by the senator from Inkerman (Hon. Mr. Hugessen) and a vigorous speech by the senator from Vancouver South (Hon. Mr. Farris); and this evening we had a good speech by the member from Toronto-Trinity (Hon. Mr. Roebuck), who seemed to be in harmony with the member from Inkerman. Well, specialists sometimes disagree, but a peculiar feature of this discussion is that while these specialists had different and opposing views, each arrived at the same conclusion—that he was going to vote for the bill.

One of the things that has made an impression upon my mind during this debate is the fact that Sir. John A. Macdonald and his associates, who framed the resolutions on which the British North America Act was based, had it in mind that the Canadian parliament would establish a General Court of Appeal for Canada, which would be the final court of appeal in this country. To me, as a layman, that seems clear from section

101 of the British North America Act. However, Sir John Macdonald was a great admirer of the laws of England, and a little persuasion convinced him that he had better leave well enough alone.

My experience during the years in municipal councils, in provincial legislatures, and in parliament has convinced me that many of our people have been against abolition of appeals to the Privy Council for reasons of sentiment or because they were fearful of the change. You would expect most Canadians to be sentimental in a matter of this kind, and perhaps it is only natural that some people should be fearful; but it seemed to me strange indeed that the members of the Canadian Bar Association should be among them. They wanted the bill delayed. This suggests that our lawyers lack confidence in themselves, for some of them will become judges, and most of them plead before the courts.

I think that those who argue in favour of continuing appeals to the Privy Council are trying to perpetuate a system that is outmoded even in Britain. It certainly is outmoded in Australia, South Africa and India, and in my opinion Canada is rather late in asserting her right and desire to govern fully within her own borders. After all that has been said by the legal gentlemen in this house and after all the information we have received, I think we can express the present situation in a few words, namely, that the people of this country have decided that the time has come to abolish appeals to the Privy Council.

Many people say that the Privy Council, during all the years our final court of appeal, was a splendid judicial body, and I have no doubt that it was. For a long time I have been deeply interested in its decisions. As I talked to law students, professors and practising lawyers, I formed the same opinion as did the senator from Inkerman that the Privy Council was generally favourable to the provinces; and that the reason why it was favourable to the provinces was, to put it bluntly and honestly, that it did not want too much authority to repose in the central government of Canada. That may have been a matter of policy of the British authorities, duly carried out by the Privy Council, and if we think this is true, it is honest to say so. They are human, after all, and humans are not infallible.

The honourable senator from Inkerman referred to the late Honourable C. H. Cahan, K.C., and the late W. F. O'Connor, K.C., both eminent lawyers and natives of the province of Nova Scotia. I knew Mr. Cahan for many years. I sat with him in the House of Commons and heard him make his speech advocating the abolition of appeals to the Privy Council. I must say that as I listened to him I was amazed—not by the speech, but by the fact that it came from a Conservative member of the House of Commons at a time when most of us had not yet made up our minds as to whether or not we should like the Supreme Court to be our final court of appeal. But after I heard the reply made by the late Mr. Lapointe, then Minister of Justice, I said to myself "This is the beginning of the end."

Whatever anyone may say now of Mr. Cahan's speech, history has justified it, for the plea which he made is about to be granted. I thought the senator from Vancouver South (Hon. Mr. Farris) was a little ungenerous to the memory of Mr. Cahan, who was not only an eminent Nova Scotian but also a great Canadian and an able lawyer. My honourable friend from Vancouver South said he concluded that Mr. Cahan had been embittered because of reverses suffered at the hands of the Privy Council, or words to that effect. I should put Mr. Cahan's position on a higher ground. I should say that, by reason of his experience before the Privy Council and in the practice of law, he had become a qualified critic and was therefore eminently fitted to express his views to his fellow members of parliament.

As for Mr. O'Connor, I knew him when he was a member of the Board of Control in the city of Halifax. I was then mayor of Lunenburg, and the Chief Justice of Nova Scotia was the mayor of Halifax. Mr. O'Connor already enjoyed a local reputation as a coming lawyer of ability. I knew him well, and when he was Parliamentary Counsel for the Senate I used to come over from the other chamber to see him. I regarded him as a personal friend and I could always benefit by my discussion with him. My honourable friend from Vancouver South was not very generous to Mr. O'Connor. He said that Mr. O'Connor had pet theories. Well, most specialists have.

Hon. Mr. Farris: Was that ungenerous?

Hon. Mr. Kinley: Most specialists stand out in front, ahead of the general trend of affairs. Mr. O'Connor, in my opinion, was, not an extremist, but an extremely well informed man.

Nobody in this house can make more out of the facts in a case than the honourable senator from Vancouver South. He said he came to the conclusion that he should vote for the bill, not because of its virtue but because of public opinion. I should say that he came to a good conclusion, but as a practical man I was surprised that he came to it in such a peculiar way. Everybody in Canada, I am sure, senses the great change that has taken place in public opinion in this country, especially over the last few years. Public

opinion of a decade ago was quite different. I was then in the House of Commons, and I well remember the amazement caused by Mr. Cahan's speech. I have already said that I myself was amazed, and I am sure that the speech must have been a great surprise as well to many of his political friends, and brought discomfort to them. But time is a great healer and, as I also have previously said, it has justified Mr. Cahan.

I recall the intense and heated debates concerning Dominion Day. Many people argued that "dominion" did not mean domination. I think that public opinion on that question has now been clarified. On the question of a national flag, I think that public opinion has also undergone a change. There is a feeling today that our country has outgrown its dependence upon institutions beyond our shores, and that perhaps because of certain sentimentalities and high ideals, we have already waited too long in making our position clear.

I heard a good deal from the two honourable senators opposite who spoke on this measure, about what is known as *stare decisis*. Their arguments were interesting, especially to a layman. To me it seems most peculiar that a new court in Canada should be bound by the precedents and decisions of the Privy Council. I agree that such precedents should be a guide to the court.

In that way the jurists who compose the new court could make such use of the judgments of the Privy Council as they thought proper.

It has been said that Canadian judges might be favourable to central control. Well, our judges, before their appointment to the bench have usually been members of a political party, but I have never heard it said that a judge carried his politics onto the bench or had any biased political views. It has always seemed to me that the men we have appointed were big enough and clean enough to forget their politics and consider only the cause of justice.

Every judge is a Canadian and a provincial. I know that the judges who come from Nova Scotia bring with them a love for that province, and a feeling that no matter how long they may stay in Ottawa, the place where they were born is the best part of Canada. I believe that the judges of the Supreme Court will have a love for their home provinces and an understanding of local conditions that should allay all our fears. I believe also that, the new court will be held in high esteem in accord with what has always been the ideal and the tradition of the Canadian people. We all know that England has a great judiciary, as has also the United States, but I think that the present Canadian judiciary is above reproach and that the new Supreme Court will maintain that standard.

My honourable friend the senator from Vancouver South (Hon. Mr. Farris) asked the question: Who in Canada has ever been hurt by the Privy Council? I do not know what my Conservative friends may say about this, but I think that the late Lord Bennett, when he was leader of the Conservative party, was hurt by it when it quashed his new deal and declared that it was *ultra vires*. As honourable members will recall, the party to which I belong went to England later and had an Act passed which brought the subjects in question under the provisions of the British North American Act. All that was wrong with the proposal of the late Lord Bennett was that it was ahead of its time, and he evidently went at it in the wrong way. Such procedure shows how futile are the judgments of the Privy Council. Even today when it hands down a judgment which we do not like, we promptly amend the British North America Act. The changing of this Act in Great Britain has become a matter of form, for the Privy Council would not dare refuse any request to change the constitution which came from the Canadian parliament.

The Lemieux Act, which I think was also disallowed by the Privy Council, was a piece of advanced labour legislation which was in the interest of both employers and labour. It was only when we secured certain changes to the British North America Act that the influences of the Lemieux Act were again felt in Canada.

Something was said about one of our lady senators. This honourable lady spoke in favour of the Privy Council, because it opened the door for her to come into this chamber. She frankly said that the Privy Council had contributed something to the emancipation of women. I do not know what my lawyer friends thought about that case, or what the Privy Council meant by its judgment. I choose to adopt the "living tree" doctrine put forward by the honourable senator from Inkerman, for I believe that as the living tree grows it has to be pruned. Regardless of what the framers of the British North American Act had in mind earlier, it seems to me that after Canada gave women the right to vote, it was perfectly natural to appoint women to the Senate. I do not think we need to worry about that subject.

Some people today talk against progress and choose to worship the past. Accordingly, they stress history. The late Henry Ford is reported to have said that history was the bunk. That was a strange statement, and one to which I cannot subscribe. But Henry Ford was a practical man of great achievements, and I have no doubt that he was

hobbled and restricted in his plans by men who looked back to the past and had little vision of the future. It may be that in his frustration he made that rather remarkable statement.

We hear a good deal too about the lessons to be taken from history. After all, history is a record of wars and disasters, of the efforts of people to get back to something like normal in the intervening periods of peace. History also tells us of forceful men who led others and who controlled the destinies of nations. Cromwell, though he did some good, did not care much about precedents, and Napoleon certainly did not regard precedents seriously; yet he gave to the world the Napoleonic Code, which today is considered one of the finest codes of law in the world. The conditions of their time gave these men their opportunities.

I think that Canadians are well qualified to look after their own judicial affairs. I do not think that anybody will deny that the Privy Council has done a great work; its term of service is a period in our history. But England has changed, and today free enterprise in that country is being restricted. There are both quick and wonderful changes taking place in the world, and for Canada the time has come to make changes—need we say more—and the vote will tell the tale.

In looking forward may I leave with you the words of the apostle Paul, when he said:

> Brethren, I count not myself to have apprehended: but this one thing I do, forgetting those things which are behind, and reaching forth unto those things which are before, I press toward the mark for the prize. . . .

Hon. Wishart McL. Robertson: Honourable senators, I had expected that this debate would be concluded this evening; but I happen to know that the honourable senator from Toronto (Hon. Mr. Hayden), who has given a good deal of time and consideration to this question, intended to speak last week but was prevented from doing so by circumstances beyond his control. I have not heard whether his intention has since changed, but as he has devoted so much thought to the subject I should be sorry to have the debate closed this evening in his absence. I shall therefore ask honourable senators, after I have said a few words on the matter, to agree that the debate be adjourned to afford the honourable senator from Toronto an opportunity to speak, if he wishes to do so.

I do not need to say that I am in favour of this bill and hope that it will pass this house. I have listened to the arguments for further delay, but it seems to me that delay would serve no useful purpose. The bill comes to us as the expressed will of the other branch of parliament. It can hardly be said that it falls within the category of "hasty legislation", since, as the honourable senator from Inkerman (Hon. Mr. Hugessen) has pointed out, similar action, or what at the time was thought to be similar action, was taken by this house seventy-four years ago.

In case it should be argued that public opinion had changed in the meantime, and that parliament has no mandate for the bill, I need only refer to the cogent arguments of the honourable senator from Vancouver (Hon. Mr. Farris). It seems to me that our duty is clear, and I hope and believe that this house will act accordingly.

I confess to feelings of great pride in the fact that I am for the moment government leader of a house whose members, in advancing their opinions both for and against this legislation, have set so high a standard of parliamentary debate. I have heard many complimentary remarks about it from competent observers both within and outside this chamber.

Although there have been differences of opinion as to the decisions made by the Judicial Committee of the Privy Council with respect to Canada, there has been general agreement, I believe, that the services rendered by that court to Canada have been very great. To this viewpoint I heartily subscribe; and my appreciation is in nowise lessened by the knowledge that over the whole period of time in which the Judicial Committee has served this country no charges for this service has fallen upon the Government of Canada.

It is with the greatest pleasure, therefore, that I inform honourable senators that I have gladly referred to the government for consideration the suggestion of the honourable senator from Inkerman, that at this time, when in all likelihood that long connection of the Privy Council with Canada will be severed, some appropriate recognition of their great services should be made by the proper authority.

I should not like to allow this occasion to pass without saying a word of appreciation of the work of the courts of justice in our own country, presided over by judges who for so many years have performed with impartiality and dignity the high duties entrusted to them. The character and intellectual capacity of the bench are of the highest public importance. Canada has produced some great judges; and competent people, Canadians and others, have often praised the high standards of our courts in the administration of justice.

I am heartily in agreement with the conclusions drawn by the Prime Minister and the Minister of Justice, that our Supreme Court, receiving its inspiration from the Privy Council, will be, in the words of the honourable senator from Vancouver, "just as great,

distinguished and able a court of last resort as the Privy Council has been". The honourable senator did well to remind us, however, that there are certain practical difficulties in the way of accomplishing this fine ideal. As he has said, we should not be too complacent; we must resolve to do everything in our power to achieve that end. With the passing of this legislation, new and added responsibilities will fall on all those charged with the administration of justice in Canada, and I am confident that those concerned will respond accordingly.

It is of course possible, as a result of some of the reasons which the honourable senator from Vancouuver South has enumerated, and which rightly or wrongly have been part of our traditional procedure—I might instance geographical considerations—that a relatively small number of appointees to the court may not be men of the highest qualifications. But it should be remembered that the services of those who are not appointed to the Bench are still available as advocates. So we can rest happily in the belief that in that capacity their great abilities will not be lost to the country of which they and we are so proud.

On motion of Hon. Mr. Howard the debate was adjourned.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Tuesday, November 1, 1949

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

Prayers and routine proceedings.

BRITISH NORTH AMERICA ACT AMENDMENT

ADDRESS TO HIS MAJESTY—MOTION

On the Notice of Motion:

That an humble Address be presented to His Majesty the King in the following words:

To the King's Most Excellent Majesty:

Most Gracious Sovereign:

We, Your Majesty's most dutiful and loyal subjects, the Senate of Canada in parliament assembled, humbly approach Your Majesty, praying that you may graciously be pleased to cause a measure to be laid before the Parliament of the United Kingdom to be expressed as follows:

An Act to amend the British North America Act, 1867, relating to the amendment of the Constitution of Canada.

Whereas the Senate and Commons of Canada in parliament assembled have submitted an Address to His Majesty praying that His Majesty may graciously be pleased to cause a measure to be laid before the Parliament of the United Kingdom for the enactment of the provisions hereinafter set forth:

Be it therefore enacted by the King's Most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present parliament assembled, and by the authority of the same, as follows:

1. Section ninety-one of the British North America Act, 1867, is amended by renumbering Class I thereof as Class IA and by inserting therein immediately before that Class the following as Class I:

"1. The amendment from time to time of the Constitution of Canada, except as regards matters coming within the classes of subjects by this Act assigned exclusively to the legislatures of the provinces, or as regards rights or privileges by this or any other constitutional act granted or secured to the legislature or the government of a province, or to any class of persons with respect to schools or as regards the use of the English or the French language, or as regards the requirements that there shall be a session of the Parliament of Canada at least once each year, and that no House of Commons shall continue for more than five years from the day of the return of the writs for choosing the House; provided however, that a House of Commons may in time of real or apprehended war, invasion or insurrection be continued by the Parliament of Canada, if such continuation is not opposed by the votes of more than one-third of the members of such house."

2. This Act may be cited as the British North America Act, 1949 (No. 2), and the British North America Acts, 1867-1949, and this Act may be cited together as the British North America Acts, 1867-1949 (No. 2).

Hon. Mr. Robertson: Honourable senators, I have asked the honourable senator from Vancouver South (Hon. Mr. Farris) to present the first motion on the Order Paper, which stands in my name.

Hon. J. W. de B. Farris: Honourable senators, the resolution that appears on the Order Paper—

Hon. Mr. Haig: Would the honourable gentleman move the resolution?

Hon. Mr. Farris: I thought the honourable leader (Hon. Mr. Robertson) had done that.

Hon. Mr. Haig: No, he did not.

Hon. Mr. Farris: Then I beg to move the resolution.

Honourable senators, this resolution asks the Imperial Parliament to amend section 91 of the Canadian constitution, known as the British North America Act. That section provides as follows:

It shall be lawful for the King, by and with the advice and consent of the Senate and House of Commons to make laws for the peace, order, and good government of Canada, in relation to all matters not coming within the classes of subjects by this Act assigned exclusively to the legislatures of the provinces, and for greater certainty, but not so as to restrict the generality of the foregoing terms of this section, it is hereby declared that (notwithstanding anything in this Act) the exclusive legislative authority of the Parliament of Canada extends to all matters coming within the classes of subjects next hereinafter enumerated.

The amendment will provide that the first of the enumerated headings in section 91, as amended, will be "Power to make laws" for:

1. The amendment from time to time of the Constitution of Canada, except as regards matters coming within the class of subjects by this Act assigned exclusively to the legislatures of the provinces, or—

This is a further exception.

—as regards rights or privileges by this or any other constitutional Act granted or secured to the legislature or the government of a province, or—

This is the next exception.

—to any class of persons with respect to schools or as regards the use of the English or the French language, or as regards the requirements that there shall be a session of the Parliament of Canada at least once each year, and that no House of Commons shall continue for more than five years from the day of the return of the writs for choosing the house; provided however, that a House of Commons may in time of real or apprehended war, invasion or insurrection be continued by the Parliament of Canada, if such continuation is not opposed by the votes of more than one-third of the members of such house.

Honourable senators will see that this amendment proposes to give to the Parliament of Canada—the Senate and the House of Commons, with the assent of the Governor General—power to amend, in certain limited fields, the Imperial Act known as the British North America Act, passed in 1867. I emphasize the words "limited fields", because the exceptions that I have read indicate that the fields of amendment proposed to be extended to the Parliament of Canada are restricted to matters essentially pertaining to Canada as a whole, as distinguished from matters coming within the rights of the provinces or of any classes in the community.

The resolution asking for this amendment marks an important constitutional development in the national growth of Canada. It is the first step in what will eventually be the vesting of Canada with complete power to amend her own constitution. We do not know what form the amendment will take, but in Canada will rest the complete and exclusive power to amend her constitution. That, honourable senators, is a matter of great constitutional import to this nation.

Hon. Mr. Haig: May I ask my honourable riend a question?

Hon. Mr. Farris: Certainly.

Hon. Mr. Haig: Does that power apply to language and education, or must those matters be considered by the Imperial Parliament?

Hon. Mr. Farris: They will come within our right to amend when the final steps have been completed. I am pleased that my honourable friend has asked that question, because apparently I did not make my point quite clear. This is what is now proposed: We say the Canadian parliament shall have power to amend its constitution, with certain specified exceptions. The first exception is such matters as my honourable friend refers to.

Hon. Mr. Haig: I understood that.

Hon. Mr. Farris: Then I am wondering what my honourable friend did not understand.

Hon. Mr. Haig: Am I to understand that, after this resolution has been approved, the right to amend the constitution with respect to education and language will still rest with the Imperial Parliament? Am I right or wrong in that assumption?

Hon. Mr. Farris: It depends on what my friend means by his question. If he means after this resolution has become effective, he is right: all these matters will still remain within the power of the Imperial Parliament until such time as conferences have taken place between the provinces and the dominion, and agreement has been reached. It is hoped that such agreement will result in another request to the Imperial Parliament to further amend the British North America Act by extending to Canada the power to make amendments as to all matters, including education, language and so forth. If agreement is reached, it will mean that there will be very well defined limitations as to the basis on which such a power may be exercised. I do not know, but it may be that amendments of that nature can be made only with the unanimous consent of the provinces. But honourable senators can speculate as to what will be done, as well as I can. In some matters the procedure will be comparatively simple, but as to amendments of fundamental principles, there will have to be unanimous agreement by the provinces.

The question raised by the honourable leader opposite (Hon. Mr. Haig) is not before the house at the present time, except to the extent that, after the first step is taken in regard to matters considered to be entirely federal, a conference will be held with the provinces to see if some understanding can be arrived at as to the basis for a further application to the Imperial Parliament for amendments along the lines he mentions. That question is entirely in the future.

The consensus of opinion in this country is that the time has come when Canada should be responsible for her own constitution, its development and amendment; and the first step towards that end is now being taken by asking the Senate and the House of Commons to pass a resolution requesting that the dominion as a whole be given power to enact constitutional amendments concerning matters which are exclusively the concern of the dominion. When that has been accomplished, the next step will be a conference between the dominion and the provinces which, I notice by the press, will be held on January 10 next.

Hon. Mr. Davies: May I ask the honourable senator a question? Have the other dominions a right to amend their constitutions?

Hon. Mr. Farris: Oh, yes.

Hon. Mr. Davies: They have gone that far?

Hon. Mr. Farris: All of them. The only reason that we have not that power is that in 1931, when the Statute of Westminster was passed, this dominion was not prepared to agree on any method of amending its own constitution, and at the request of this country the power was left where it has always been.

Hon. Mr. Roebuck: Would the honourable gentleman tell us what are these matters which the Dominion Parliament in the future may amend?

Hon. Mr. Farris: My honourable friend does not want me to make my speech before I begin it? A good part of my speech will be in explanation of that very thing.

Hon. Mr. Roebuck: Thank you.

Hon. Mr. Farris: This resolution presents two issues for our consideration. The first and wider one is whether it is desirable at this time to make any changes to the end that Canada will have the power to amend its constitution. That is the broad general principle. Having considered that, if we answer it in the affirmative a second question will

arise: Is the Government of Canada, in submitting this resolution for the purpose of obtaining this power, going to work in the right way, and, if parliament accedes to the government's suggestion, will it be assenting to the right method of achieving what is desired? The first question relates to the broad principle, the second to the method.

Let us consider first, the question: Is it desirable, is it the wish of the people of Canada, is it a beneficial and proper thing at this time that we should say to the Imperial Parliament, "In principle we desire to have within our own jurisdiction the power to amend our own constitution"?

That brings us in the first place to a consideration of the Statute of Westminster. As all honourable senators know, that enactment was the consummation of the Balfour resolutions passed at the Imperial Conference of 1926, which laid down certain broad principles affecting not only Canada but all the dominions, and recognized their national status as equal to that of the Mother country. One of the very few limitations in the Statute of Westminister with regard to our status is contained in section 7, which perhaps I should read at this time:

7.—(1) Nothing in this Act shall be deemed to apply to the repeal, amendment or alteration of the British North America Acts, 1867 to 1930, or any order, rule or regulation made thereunder.

For the reason and necessity of this subsection, I refer to section 4 of the Statute of Westminster, which provides:

No act of parliament of the United Kingdom passed after the commencement of this Act shall extend, or be deemed to extend, to a dominion as part of the law of that dominion, unless it is expressly declared in that Act that that dominion has requested, and consented to, the enactment thereof.

Subsection 2 of section 2 of that statute reads as follows:

(2) No law and no provision of any law made after the commencement of this Act by the parliament of a dominion shall be void or inoperative on the ground that it is repugnant to the law of England, or to the provisions of any existing or future Act of parliament of the United Kingdom, or to any order, rule or regulation made under any such Act, and the powers of the parliament of a dominion shall include the power to repeal or amend any such Act, order, rule or regulation in so far as the same is part of the law of the dominion.

So, under the general provisions of the Statute of Westminster we were given power to amend or repeal any Imperial statutes that related to Canada, but by the special provision in section 7, it was set out that this should not apply to the British North America Act. This was done, not at the instance of the British Parliament, but, as honourable senators can well understand, entirely at the request of the Canadian Government. It was our decision that it was preferable to leave the Act as it was until such time as Canadians were able to agree among themselves as to how they wanted the constitution amended, and as to what safeguards and restrictions should be put around it. Had section 7 not been in the Statute of Westminster, it would have meant that the Parliament of Canada would have had power to repeal any or all sections of the British North America Act, merely by having a simple majority. That would not have been in the interests of Canada, and the question was simply shelved. I say that advisedly, because of a certain letter which was given prominence in yesterday's edition of the Montreal *Gazette*, and to which I shall later refer.

Hon. Mr. Lambert: Would the honourable senator agree that the Balfour resolutions and the Statute of Westminster were the outcome of the precedent that was set at the conclusion of the first World War in the signing of the Treaty of Versailles by all members of the British Empire individually? And did this not leave them at that time with the term British Commonwealth instead of British Empire?

Hon. Mr. Farris: I would not entirely agree with that statement. I would not say it was an outcome, but rather one of a number of progressive steps. The Balfour resolutions constituted a further step and the Statute of Westminster was the culmination—or perhaps I would be more accurate in saying that the culmination will be reached when this resolution is passed and we have achieved an agreement on the other steps that will commence on January 12.

Honourable senators, in advocating this resolution today I must recall to mind—if others do not do it for me—certain statements I have made in service clubs such as the Rotary Club, the Kiwanis Club and the Canadian Club, and even at Liberal meetings. I have made the statement more than once that so far in the constitutional development of Canada it has been fortunate for us that the question of amendment of the constitution has rested in the Imperial Parliament.

There are two factors which are most desirable in connection with the amendment of the constitution. One is the flexibility necessary to make amendments possible when they are needed; the other is the security of minorities and of the rights of all the people. Those are the two essentials, and it is extremely difficult for a nation to have them both. For instance, our neighbours to the south have security but not flexibility. It takes a two-thirds majority of the Senate and of the House of Representatives, followed by two-thirds of the states, to put through any simple amendment

to the constitution. A most interesting contrast is what happened in Canada a few years ago with relation to unemployment insurance. The power to deal with insurance was vested in the provinces, and it was desired by the people of Canada generally that the constitution should be amended so that unemployment insurance could be given effect to by the federal parliament. This was logical, but had we had a constitution such as that of the United States we probably would still be fooling around with it. What happened? A general agreement was made with the provinces, and a resolution was passed through the House of Commons and the Senate and wired to the authorities in England, and inside a week it became law. That was an example of flexibility with regard to a matter in which security was not the prime essential. The rights of no person were being violated or trampled on; but that could never have been accomplished had we had a constitution lacking flexibility.

On the other hand, the question of security is even more important than flexibility. Had we not had section 7 in the Statute of Westminster, under our present constitution the House of Commons and the Senate, without regard to the rights of provinces or any other rights, by a simple majority could not have sent a resolution to England and have it become a statute of this country. There would have been mighty little security to justify that spirit of unity which exists in Canada.

It is for these reasons that I have stated more than once that our system has given us flexibility, and at the same time as much security, as any country could ask for. We have possessed fundamental and basic rights under our constitution, and we have also had the guarantee of the House of Lords that no amending statute to the British North America Act would be passed to violate those fundamental rights. We have also had a spirit of justice, a spirit of fair play, and a sense of constitutional responsibility as vested in the British House of Commons. Well, all good things are bound to come to an end, and while those conditions have been most fortunate for us in Canada, in my opinion the time has come when we must look at the picture from a different viewpoint. In the first place, the House of Lords is today an impotent institution. Final proof of that was given only yesterday in England when a bill was passed providing that in just one year's time the will of the House of Commons will over-ride any objections that may be made by the House of Lords.

Honourable senators, I should like now to say a word about the British Parliament. I am speaking in this chamber as a senator, so I shall be careful about my remarks. All I really wish to say is that each of us is entitled to ask whether there is as much security in that parliament in relation to our constitutional guarantees as existed in earlier generations.

To me, one of the strongest reasons why at this time we should seek a change is that we have been imposing a most serious responsibility on the British government and parliament long enough. The potential responsibility is perhaps greater than any that has actually developed, for some serious constitutional dispute might arise in this country at any time. For instance, in some special circumstances the House of Commons might pass a resolution in which the Senate refused to join, and the Commons might send its resolution over to the Imperial Parliament with the request that the voice of the elected representatives of the people be listened to, but that this body, which is not elected, be ignored. Or there might arise an issue as to which both our houses would pass a resolution that was strongly opposed by one or more provinces, and a large body of provincial representatives might be sent to England to urge upon the Imperial Government that it would be unfair to act upon the request of the federal parliament. Think what a very unpleasant predicament the British parliament and government would be placed in by a dispute like that! Once we have achieved our present status we have no right to ask the Imperial authorities to continue to assume that potential responsibility.

Then, honourable senators, the time has come when, because of our own spirit of national self-consciousness, our people as a whole are insistent that we no longer humiliate ourselves by asking someone else to bear a responsibility that is properly our own.

Hon. Mr. Howard: That is right.

Hon. Mr. Farris: I think one may say that not only this house but the people of Canada are almost unanimously agreed that the time is ripe for agreement upon the principle that Canada should have within her own borders complete power to amend her own constitution.

If I have succeeded in expressing your views so far, honourable senators, the next matter we must consider is the wisdom of this particular resolution, and not only of this resolution standing alone but of the resolution in relation to the policy proposed by the government. The government has proposed that parliament accept this resolution as part of a program. After the resolution is passed here and after it is passed by the Imperial parliament—as of course it will be, without hesitation, when the request is

received from both our houses—the government will meet with the provinces to see how far they can go by understanding and agreement to complete the program. The date set for the commencement of the proposed meeting is the 10th of January next. I wish to emphasize, although I know it is not necessary to do so in this house, that the important part of the program lies in the future. I can answer the question asked by my honourable friend from Toronto-Trinity (Hon. Mr. Roebuck) by saying that when you come to examine the resolution you find that in reality the principle that it establishes is wide and important, but the actual effect of the resolution by itself is comparatively limited. Indeed, I think that anyone who has not already looked into it will be surprised to discover how really limited it is.

May I say a word here as to my understanding of the reasoning advanced by the government and particularly by the Prime Minister? And first let me remark, honourable senators, that from any personal knowledge of the Prime Minister, from my observation over many years of his activities as a lawyer and of his conduct as Prime Minister, I regard him as not only a great constitutional lawyer, but as a great constitutional lawyer with a vision.

Some Hon. Senators: Hear, hear.

Hon. Mr. Farris: As I follow the reasoning of the government, and particularly that of the Prime Minister, they are thinking of the division of our constitution into three parts. I should like us to think about it along the same line. First, there is that part of the constitution which is exclusively provincial in character. Secondly, there is that part of the constitution which is exclusively federal, not only in its jurisdiction but in its application and its effect. I particularly emphasize the word "effect." And thirdly there is the field, which is the big field, comprising the middle ground where jurisdictions overlap, so that it is impossible to touch one without touching the other.

Honourable senators, especially those who are lawyers—though lately we have heard so much about the constitution that we all are familiar with it—know that the two outstanding sections in that big field are section 91, the amendment of which we are now seeking, and its counterpart, section 92. Section 91 enumerates powers given to the federal parliament, and section 92 enumerates powers given to the provinces. You cannot touch a single power specified in section 91 without interfering with one specified in section 92, and *vice versa*. So sections 91 and 92, and to a lesser degree some other sections, which I shall mention later, are not within this resolution. It is important for honourable members to keep that in mind. They come within the third classification, which will be dealt with at dominion-provincial conferences later on.

Let me briefly refer to each of these three divisions or parts of the constitution. The first relates to the powers already vested in the provinces. Honourable senators will recall that in the last few weeks there has been a good deal of talk about lop-sided amendments to the constitution, ragged amendments torn down the middle, so that one almost gets the idea that the constitution is like a tattered picture hanging crookedly on the wall. Why? Because the present proposal is to deal with matters relating strictly to the federal part of the constitution. But I submit to honourable senators that if there is anything in the suggestion that the constiuion is being torn into shreds and patches, that enormous offence was first committed at the time of confederation. I say that because section 92 of the British North America Act reads as follows:

> In each province the legislature may exclusively make laws in relation to matters coming within the classes of subjects next hereinafter enumerated; that is to say,—
>
> 1. The amendment from time to time, notwithstanding anything in this Act, of the Constitution of the Province, except as regards the office of Lieutenant-Governor.

This cock-eyed idea, this lop-sided operation, had its inception in the first clause of Section 92 of the British North America Act, which relates to the provinces. I wish to call the attention of honourable senators to some of the things which the provinces have been able to do in the way of amending their own constitutions ever since the day when the Confederation Act became law. For instance, section 68 states where the seat of government for each province shall be. Under section 92 (1) the provinces, from the very start, have had the power to change the seat of government. Even in Ontario the seat could be moved from Toronto.

Hon. Mr. Beaubien: A terrible thing.

Hon. Mr. Farris: We next look at section 70 of the British North America Act, which reads:

> The Legislative Assembly of Ontario shall be composed of eighty-two members, to be elected to represent the eighty-two electoral districts set forth in the first schedule to this Act.

The province of Ontario has many times changed that provision, and it will make further changes. Under the power given it by the British North America Act the government of that province, if it were in session now, could change the provisions as to the number of representatives to be sent to the legislature, how many members should represent the city of Toronto and how many the

surrounding areas. That legislature could gerrymander—if I may use the word—or manipulate the electorate to suit itself. Under the power vested in the legislatures by the British North America Act every province in Canada has the same power. For example, the provinces of Quebec, Nova Scotia and New Brunswick each had at one time legislative councils or second chambers. These provinces, without any consultation or consent from the Imperial Parliament, and without asking leave of the Dominion Parliament, amended their constitutions to abolish legislative councils in those provinces. They had the jurisdiction to do it and they did it. I do not think that the province of British Columbia has ever had a legislative council, but if it chose, it could set up such a second chamber.

Hon. Mr. Haig: The province of Manitoba had one.

Hon. Mr. Farris: I venture to say that Manitoba never took the trouble to ask the Prime Minister of Canada for permission to abolish the second chamber. Had the province been asked to do so, it would have replied in very polite language, such as would meet the requirements of the Montreal *Gazette*, that it was no concern of the Prime Minister of Canada, and that under the constitution the provinces had the right to deal with purely provincial matters. That is the basic principle on which the British North America Act started, with respect to the constitution of the provinces.

We come now to the second division, which concerns constitutional matters of a purely federal nature. These are matters which are not only federal in authority, but in effect. The proposal that the Dominion seek, as a first step in this progressive movement, to bring the control of our constitution to Canada, is a most simple and harmless one. That movement would give the Dominion power to deal with federal matters in the same way as the provinces, by right, have always dealt with purely provincial questions.

I wish now to face some of the objections which will be raised to this proposal. Every day as I read the newspapers, and particularly the reports of speeches in other places, I have been more and more surprised at the ingenuity with which objections have been raised. I say in all seriousness, honourable senators, that the undertaking of a movement of this kind ought to have behind it a spirit of co-operation on the part of all Canadians, rather than attempts to raise objections against it. I have the faith to believe that after the first flutter of concern has passed, the dominating spirit of the people of Canada will be behind the movement.

Some of the objections raised are worth while, and it is essential that we give them the utmost consideration. One theory which has been advanced is that confederation itself was a compact or a treaty and, for that reason, cannot be changed without the unanimous consent of all the parties to it, whether the matters concerned be federal or provincial or require the consent of all parties. There are several answers to this criticism, and I wish to deal with them. I may say that I am now speaking not only in response to the honourable leader's request that I explain this resolution, which might to some extent bind me to support government policy, but also from the standpoint of my own personal views.

To begin with, I think the theory that no amendment can be made without the consent of all parties is a startling proposition. Think, honourable senators, of all the amendments which have been passed, and what it would have meant if assent had been required not only of both houses of parliament but of every legislature in Canada. The first answer to the protest is that from 1867 up to date no such theory has been recognized in practice. After all, in constitutional matters practice determines to a very large extent the meaning and understanding of the constitution. In the Old Country, where there is practically no written constitution at all, the whole basis of operation, with the exception of habeas corpus, is built on practice—the conventions of the constitution. These have been explained by Dicey and by Mr. O'Connor in the same way. The conventions of the constitution cover the things that should or should not be done. They impose an obligation on parliament and all public men, just as if they had been enacted by statute. They are the kind of thing which causes an Englishman to say, "We don't do that sort of thing, you know", and that is the end of it. My understanding of the question has been that, on the grounds of good faith and where the honour of Canada and the Imperial Parliament is involved, the fundamental rights guaranteed to the provinces and to minorities and classes in the community, are not to be sacrificed in subsequent legislation in amending the British North America Act. That is the basis on which these conventions of the constitution have been carried out.

Let us see how this pact-treaty idea stands examination. Who made the so-called treaty? Of course it was not made by the Dominion itself because there was no federation prior to confederation: Canada was unborn and could not be a party to it. It was not made by Quebec and Ontario, because at that time they had no separate status. They comprised Canada, but not as a federal union. They

were combined in one parliament and formed a legislative union. They did pass a resolution approving the Quebec resolutions, but as I have just remarked, this assent was given not by two independent provinces but by a single parliament representative of the people of Upper and Lower Canada. Then, who made the treaty? Certainly it was not made with the Maritime Provinces. The Legislature of Prince Edward Island rejected the resolutions; it turned them down cold. The matter was never submitted to the legislatures of New Brunswick and Nova Scotia. Every constitutional authority that I have consulted seems to agree that the essential feature of a compact of this nature is the sanction of the legislatures. No sanction was given; and it is a good old rule, agreeable both to law and common sense, that it takes two parties to make an agreement.

Anyway, honourable senators, my honourable friend from Toronto-Trinity (Hon. Mr. Roebuck) and myself, when we were discussing treaties before the Privy Council, took the stand, that treaties can be made only with nations. That view was sustained. The parties must have the status of nations. Today Canada has that status, but it did not have it in 1867. Prior to confederation this country consisted of only a little handful of individual colonies—and colonies they were, in the full sense of the word. They were not in a position to make treaties. They were empowered only to express approval or disapproval of legislation passed by the Imperial Parliament, which alone had jurisdiction, and on which alone rested the final responsibility for legislation. So in my humble opinion, which I am encouraged to offer because very distinguished students of constitutional law and history have expressed the same views, there does not exist any compact constituting an obligation of the nature of a treaty which cannot be varied except by unanimous consent.

Hon. Mr. Euler: In that connection, may I ask my honourable friend a question which may be of considerable interest to other senators? If, as he says—and I agree with him—matters which fall entirely within federal jurisdiction are wholly within the competency of the Canadian Parliament, would it be within the power of the Canadian Parliament to abolish the Senate?

Hon. Mr. Farris: The Canadian Parliament? Yes, I think so.

Hon. Mr. Euler: The agreement of the Senate would be necessary?

Hon. Mr. Farris: The Senate is a part, and a very important part, of parliament. Some of us might be willing to concede that it is the most important part.

Hon. Mr. Euler: That is the answer I expected.

Hon. Mr. Farris: My leader, who asked me to move this resolution, knows that I hesitated a long time before I agreed to do so, because I wanted to convince myself that the resolution was right. There are things which a man accused of being a partisan, as sometimes I am, may be willing to do for his party; but I cannot conceive of any senator supporting this resolution if he thinks that as a constitutional proceeding it is unsound. It would take more than mere party loyalty to induce him to do that.

Some Hon. Senators: Hear, hear.

Hon. Mr. Farris: For my part, I pondered this resolution a long time, until I had satisfied myself at least, that it was on a sound basis and warranted our support. I see one or two of my friends are smiling because they know that what I am now saying has been expressed privately to them. I have written down what I believe to be the correct view of this question.

It is not enough to say that there was not a compact. One cannot ignore the fact that most important and solemn obligations were undertaken at the time of confederation. Nor should it be forgotten that there was an obligation on the part of Canada—of each province—and of the Imperial Parliament to recognize these obligations and see that they were not violated. The authority to create the Canadian constitution of 1867 was vested exclusively in the Parliament at Westminster. Nobody, I suppose, will dispute that statement. Neither by treaty nor in any other way could the colonies at that time create a union, either federal or legislative, between themselves. The authority of the Imperial Parliament was supreme. It carried with it corresponding responsibilities and obligations to legislate in the public interest of those to be affected. In so doing the British Parliament gave effect to the wishes of the colonies, as expressed to them by the representatives at that time, not as the consummation of a treaty, but as a statute enacted by parliament to confer on those colonies a charter of union and self-government, subject to such restrictions and limitations as the Act prescribed and such obligations as necessarily go with a statute of that kind.

Under this new constitution an entirely new set of governments—one federal, the others provincial—was established. Today the government of Ontario is not in the same form as government which existed provincially in Ontario before this legislation was passed in 1867. The government of Ontario at that time was a part of Canada, itself composed of two provinces. I reiterate that

the legislative set-up which was created at that time was entirely new. It is true that New Brunswick and Nova Scotia had separate parliaments; but they disappeared, and a new parliament was created with new powers as formulated in section 92 and other provisions of the British North America Act. Although in large measure the old machinery was used, politically there was a new creation. I think that consideration is basic to the whole conception of the status of these provincial legislatures in relation to the new creature then set up, the Parliament of Canada as a whole, with a government here at Ottawa. The electors were given the right to elect members to the various parliaments—provincial and federal—to represent them in their respective capacities. These words "respective capacities" should be underlined. I can find no justification, either in the confederation records or in the practice since adopted, for the statement that in federal matters anyone has any jurisdiction but members of the federal parliament. It is unreasonable on its face to say that in matters relating exclusively to the provincial constitutions the provinces shall have full powers of amendment, and at the same time to argue that as to similar matters of a federal nature the federal representatives of the people, comprising the Senate and the House of Commons, shall have no right to seek a measure to give them full powers within their own jurisdiction.

So much for the compact or treaty theory. I have not exhausted it, and if I attempted to do so I would only exhaust honourable senators who, in the last analysis, would form their own opinions.

The next objection that has been tossed around—and it is difficult for me to treat it with quite the same respect as I did the last one—is the idea that it is a piecemeal amendment; that the constitution has been torn down the middle and that the picture is hanging lopsided. I honestly believe that these objections will be forgotten sooner than those who uttered them.

In yesterday's edition of the Montreal *Gazette*, a newspaper I read every morning I am in Ottawa, there appeared two items on the British North America Act, one a letter and the other an editorial. The letter is the most nonsensical thing I have ever read. It was placed on the editorial page next to an editorial criticizing the St. Laurent Government. To the casual reader, including myself, the inference would be that this letter had the blessing of the editor. The letter refers in part to section 7 (1) of the Statute of Westminster and quotes as follows:

> Nothing in this Act shall be deemed to apply to the repeal, amendment or alteration of the British North America Acts, 1867 to 1933, or any order, rule or regulation made thereunder.

The writer states that this passage expressly forbids any amendment to the British North America Act, but that is not so. The amazing point is that the learned author—at least he seems to be learned, because he cites cases and makes quotations almost as freely as though he were learned—

Hon. Mr. Howard: He must be a lawyer.

Hon. Mr. Farris: I do not know, but he quotes from Mr. W. F. O'Connor, K.C., former Parliamentary Counsel to this chamber. While some of us did not always agree with Mr. O'Connor, I would say to honourable senators, and particularly to my friend from Queen's-Lunenburg (Hon. Mr. Kinley), that I always held Mr. O'Connor in the highest esteem. Anyway, the writer of the letter refers to page 23 of annex 5 of Mr. O'Connor's report to the Senate, 1939, which is a statement having nothing in the world to do with the matter in question. At the same time he entirely omits the next paragraph, which completely covers the question and makes clear that the Statute of Westminster has nothing to do with this matter of amendment. Yet we find this letter appearing in the *Gazette* at a time when I am sure that newspaper is earnestly pleading for co-operation.

Honourable senators, the next criticism is that one is not playing the game if one does not deal with the constitution as a whole. It is argued that the provinces must be consulted about all the amendments, whether or not they are federal or provincial. This view has considerable support, and although I recognize it, I think it is quite wrong. Take my own province of British Columbia—I do not own it altogether, but I live there—

Some Hon. Senators: Oh, oh.

Hon. Mr. Farris: I choose British Columbia because it is far removed from the heated controversies that are being waged in Ottawa. The province of British Columbia does not itself send representatives to the federal parliament. The people who live in the federal constituencies of British Columbia are not citizens of that province within the statute, but are citizens of Canada. These people, regardless of any provincial boundaries, elect at the polls the federal members whom they wish to represent them in federal matters at Ottawa. Likewise, when British Columbia vacancies in the Senate are filled, the government appoints representatives from British Columbia on a federal basis and not from a provincial aspect.

As a distinct political unit under confederation, British Columbia, like the other provinces, has its own legislature and is assigned certain defined powers. It is not given any power to send representatives to Ottawa or to concern itself with any matters outside its

own authority. For instance, a city council, which is created by legislature and has certain powers conferred upon it, has no right to put questions to the provincial government which are entirely related to matters which have been assigned to the provincial government. The same principle applies here.

I do not want honourable senators to suppose for one minute that I have departed from what I said in a speech the other day. I have always been and always hope to be a strong supporter of provincial rights, within the limits of those rights; but I am equally opposed to provincial usurpation of federal rights.

In matters purely federal, the legislature and government of British Columbia have no concern, but the people of that province have the same concern as the citizens of any other part of Canada. The machinery is provided for them to exercise their wishes by voting. So I would repeat that a province, as such, has no status to oppose this proposed resolution unless—and this is a very important proviso—unless it can be shown that under the guise of federal legislation we are seeking to infringe on purely provincial matters. If that can be shown, then a real grievance has been established. In connected with the distinction which I have been seeking to make, the Prime Minister read in another place a letter from Sir John A. Macdonald, which to my mind is most important. Honourable senators have no doubt read the letter, but I think it should appear in *Hansard*. It was written to the Governor of Nova Scotia back in 1886. It was marked as a private letter, but it has been on official files, and the Prime Minister felt justified in using it. It is as follows:

I see your ministers are going to dissolve.

The permission to grant or refuse a dissolution rests with you, as well as to fix the time for holding the elections. As important issues are, it is said, to go before the people, you should, I think, insist that they should not be taken by surprise and that ample time should be given them for consideration.

Your legislature's legal term of existence expires, I take it, on the return day of the writs of election, and no election need be held until after that day.

Should your ministers found their advice for an early dissolution on the ground that they desire an immediate expression of the will of the people as to their remaining in the confederation—you will, I have no doubt, feel it your duty as a dominion officer, to decline to allow that subject to enter into consideration at all. The representatives of Nova Scotia as to all questions respecting the relations between the dominion and the provinces sit in the dominion parliament and are the constitutional exponents of the wishes of the people with regard to such relations. The provincial members have their powers restricted to the subjects mentioned in the British North America Act and can go no further. I write you confidentially, but if necessary you will be supported by the whole weight of the dominion government.

Yours sincerely,

John A. Macdonald

That was the conception of the then leader of the Conservative party, the first Prime Minister of Canada, one of this country's great statesmen, and the man who perhaps more than any other in our history gave inspiration and leadership to confederation.

Honourable senators, that brings us to what I think should be the real objection, if there is any—and it is real, if well founded; otherwise it is unreal—and that is, that the amendment does in fact and in law affect matters within provincial jurisdiction, or rights and privileges secured to the provinces as such. That involves a study of the resolution. As I have already said, by no stretch of the imagination could this amendment, when passed, relate to anything in section 91, because section 91 contains nothing which is not correlated to section 92. I do not think it would relate to section 95, which deals with agriculture and immigration, though I have never been quite able to make up my mind about that. But on that point there is this to be said. Section 95 gives parliament and the provinces concurrent powers of legislation respecting agriculture and immigration. But the section provides that if on the subject of agriculture or immigration any legislature passes a law that is repugnant to an act of parliament, the federal legislation will prevail.

On the subject of immigration, the power of the legislatures has been practically eliminated. I have not gone far into the matter exhaustively, but so far as I am aware the federal parliament has almost exclusively occupied the field of immigration. Years ago in our province of British Columbia, when the oriental question used to be acute and it was good politics to oppose the admission of orientals, the legislature would pass a law prohibiting their immigration into the province, and while such legislation could have been considered valid, under section 95, it was always held to be invalid because the field had been fully occupied by federal legislation. If parliament ever wanted to usurp completely the field of agriculture, it could likewise do so. Therefore I am not greatly concerned about whether there is full protection or not on that point. If there is not, the matter can be dealt with at dominion-provincial conferences.

Then, to what does this resolution relate? It relates to section 37 of the British North America Act, the section which provides the number of members to be elected to the House of Commons. That matter vitally affects the citizens of every province, but the British Columbia legislature, as such, or any other legislature, as such, has not a single

thing to do with it, any more than the federal parliament has to do with the power of a legislature to determine the number of members required to constitute its assembly. Under this amendment the federal government would also have power to change the salary of the Governor General. That salary is fixed by federal statute, which could then be amended by parliament. That is clearly a subject with which no legislature has anything to do.

Under this amendment parliament would also have the power to limit the tenure of office of Superior Court judges. Some people wonder why it is that a judge of the Supreme Court of Canada or of a county court must vacate his office when he becomes seventy-five years of age, whereas judges of the Superior Courts are not obliged to retire at any specified age, but may continue on the Bench for life. The reason is that our constitution provides that the judges of the Superior Courts shall hold office during good behaviour. After this amendment is passed parliament will have the power, if it wishes to use it, to decree a retiring age for Superior Court judges appointed in the future.

Hon. Mr. Lesage: Would the honourable gentleman permit me to interrupt? While he is enumerating the powers of parliament, would he answer the question asked a few minutes ago by the honourable gentleman from Waterloo (Hon. Mr. Euler), whether if this amendment were passed the House of Commons would have power to abolish the Senate? I am under the impression that some of the provinces came into confederation on the specific understanding that there should be a Senate, and that they would be represented by a certain number of members in the Senate. Am I right?

Hon. Mr. Farris: I shall come to the Senate in a minute, but for the moment I am dealing with other matters. I am like the dentist who bores all around the tender spot and leaves that to the last. I was saying that our constitution provides that the judges of the Superior Courts shall hold office during good behaviour. At the present time, if parliament desire to specify a retiring age for Superior Court judges it would be necessary to amend the British North America Act, but if the amendment contained in this resolution is passed, parliament will of itself have power to say at what age these judges shall retire. Of course, there is no thought that parliament would repudiate any contractual obligation to any present judge, and if any bill to do such a thing were passed in one house it would no doubt be rejected in the other. But parliament might decide to fix a retiring age for Superior Court judges appointed in future.

Hon. Mr. Dupuis: May I ask the honourable gentleman why the high court of first instance in Ontario and some other English-speaking provinces is known as the Supreme Court, whereas in Quebec it is known as the Superior Court? That distinction in name was not required by the British North America Act.

Hon. Mr. Farris: The Supreme Court of British Columbia is the superior court in that province. The name "superior court" applies to the nature and character of the court and indicates its jurisdiction. The highest trial bench in each of the provinces is the superior court of that province.

Hon. Mr. Dupuis: But what about the appeal courts?

Hon. Mr. Farris: The appeal courts have been created by an Act of the Canadian Parliament, and not by the Act of confederation. Those courts are within the jurisdiction of the Canadian Parliament. So far as the superior courts are concerned, they are the highest courts in the provinces, and at one time exercised not only trial jurisdiction but also appellate jurisdiction. In some provinces they continue to be known as the Superior Court, but in others they are called the Supreme Court.

Hon. Mr. Dupuis: The name "Supreme Court" would lead to some confusion, as the Supreme Court of Canada will be the court of final jurisdiction.

Hon. Mr. Farris: It would be better if the various provincial courts could be known as the "High Court of Justice", or by some similar name. In that way references to the "Supreme Court" would always relate to the Supreme Court of Canada.

Honourable senators, let us now come to the question of the Senate. There are two ways of looking at this question. One is to look at the section in the Act which excludes any power of amendment. We are proposing by this resolution to ask the Imperial parliament to give Canada the power to amend its constitution, except in certain matters—the classes of subjects exclusively assigned to the legislatures. The best outline of these classes is found in Section 92 of the B.N.A. Act, where we find sixteen headings which relate to subjects exclusively assigned to the provincial legislatures. The powers which are enumerated in section 91 are exclusively those of the federal parliament. The two sections are so inter-related that one cannot touch one without interfering with the other.

The next limitation of our power under this proposal concerns the

> . . . rights or privileges by this or any other constitutional Act granted or secured to the legislature or the government of a province . . .

I have not entirely made up my mind, and I do not intend to offer an opinion, as to whether such a provision will exclude legislation to abolish the Senate. It may have that meaning. I was much concerned about that question at the first, but I will try to show honourable senators why, in my thinking, I am not now so much concerned about it.

I point out that the resolution before us today should not be considered by the Senate in relation to its effect upon the Senate. It should not be considered from the standpoint that we are protecting our positions as Senators, because of course there is no danger of the present body of Senators being thrown out of office. It must be remembered, however, that this legislation, when passed, will be in force for many years. We must therefore consider the fact that the Senate is a protection to minorities and to classes in the community, and it is our duty to see that that protection is not lightly thrown away. If in our consideration of this resolution we say "You cannot touch the Senate", all honourable senators know what a protest would go up all over this country. People would say: "Those old fellows in the Senate are just trying to protect their jobs and keep themselves in office for life." But if it is our duty to assert ourselves, such a protest should not stop us: it is highly important that the Senate should not find itself involved in some issue when popular opinion could be diverted against it to the harm of our institution.

I would point out to my honourable friend who asked a question earlier (Hon. Mr. Euler), that when this legislation is passed the minorities and classes who look to the Senate for protection will be better protected than they are today. You may ask, why that is; what protection is the Senate today? Suppose that between now and the next general election there was a financial crisis and times were very bad in Canada, and there was a resentment against what is called capitalistic forms of government; and suppose that a socialist government were elected, which passed a resolution in the House of Commons asking for abolition of the Senate, and the Senate refused to sanction it, the socialist Prime Minister of Canada, fresh from the people, with a good substantial majority, could have no difficulty in going to the socialist government in England, where so much is now being done about the House of Lords, and securing the abolition of the Senate. Under those circumstances, I believe that we would not have as much security as we had under a different type of parliament, when the House of Lords was really a factor in protecting rights. Therefore, I say to my honourable friend that at its worst this amendment by preserving the Senate, will give more protection to the minorities and classes in the community than they would have if the question of Senate abolition were left in the hands of the parliament as constituted in Great Britain today.

That brings us to the point where we must decide whether we will go at least as far as the resolution, or insist on going further and thereby settle the whole question of the Senate at this time. After most careful consideration I say that we should not go further and place ourselves in a completely false position. The propaganda which could be worked up against the Senate would be used to our disadvantage. But I repeat that, if such action were necessary, there is no reason why we should not do our duty regardless of its effect on ourselves.

To further answer my honourable friend, I ask these questions: Who says that the Senate is a protection for minorities? Who says it is a guarantee of provincial rights? And who says that for these reasons the Senate ought to be perpetuated? The answer is: The people of Canada. And that may include the premiers of the provinces. I notice that Premier Douglas of Saskatchewan has recently expressed himself in this matter. No doubt Mr. Duplessis has some feeling on this question, and the other premiers will have views as well. Then, when the Dominion-Provincial conference takes place, any provincial premier, cabinet minister or representative who feels that the Senate is, as we believe it to be, a security and a guarantee to minorities, will have the opportunity of saying to the federal government: "We want not only the security that the Senate, in the matter of voting itself out of office, will have to agree; we want the further security that it be so tied up that it can never be abolished." Those who feel the necessity for the preservation of the Senate could make such a demand. After giving careful thought to the problem, it seems to me that the best way in which existing security can be made more secure, if further security in that regard is needed, is to let those who will get the benefit of that security stand up and carry the fight into the conference of January 10 next, instead of placing the Senate in the impossible position of asserting itself at this time.

Some Hon. Senators: Hear, hear.

Hon. Mr. Buchanan: May I ask the honourable senator a question? If the amendment is passed, will the government change its method of appointing senators?

Hon. Mr. Farris: The government, with the consent of parliament, can do so; but without the sanction of the Senate no change can be made.

Honourable senators, I have now dealt with two of the three divisions of the constitution; first, that part which relates to provincial matters, and second, that part which relates to purely federal matters. In January there will be a conference of the political leaders of Canada, provincial and federal, to consider that great intermediate field where one jurisdiction impinges on the other; and it is highly essential that the approach should be made in the spirit of full Canadianism and not from a partisan or merely provincial standpoint.

Some Hon. Senators: Hear, hear.

Hon. Mr. Farris: In this paper I have already mentioned, the *Gazette,* I see these words: "The only way is the friendly way". To that I say yes, a hundred times. The only way is the friendly way. But I submit, with the greatest respect to this newspaper and to others who support its views, that it is not "the friendly way" to hatch objections which have no validity. The way to approach this question is with a full recognition of the practical differences and distinctions between provincial matters and federal matters, and of those which overlap both. I know of no man in Canada who has a broader grasp of these questions, is more sincere in his desire to work out a solution, or has more courage to do something, than the Prime Minister of Canada.

Some Hon. Senators: Hear, hear.

Hon. Mr. Farris: If, when that conference takes place, the premiers and cabinet ministers of the provinces are animated with that same courageous, broad-minded spirit, we shall achieve for Canada something that will be one of our greatest monuments, not only to the nation but to the great leaders who bring about that desired event.

Hon. L. M. Gouin: Honourable senators, this is the first time that I have risen to speak since the opening of the new parliament. Like those who have preceded me, I wish first to pay my compliments to our distinguished colleague who now occupies the exalted position of Speaker of this house. All of us, myself particularly, have rejoiced over his appointment, and we all know that he will most faithfully and ably perform his important duties.

I have also a tribute to pay to the senator from Vancouver South (Hon. Mr. Farris). I always listen to him with great interest, and today I sincerely believe that he has surpassed himself in moving the adoption of the motion which is now before this house.

To speak after our eminent colleague from our Pacific province is a great honour, but it is also a perilous task. I cannot emulate his masterly command of the English language and I cannot speak with the authority which he possesses, but in my own Quebec accents I shall speak with ardent sincerity from my truly Canadian heart.

In constitutional matters there are two opposite schools of legal theory. There is a conflict, two centuries old, between those who put all their faith in written and rigid constitutions, and those who, on the contrary, adhere to the organic principle of a flexible constitution. In a certain sense this is the opposition between the advantages and disadvantages of a code as against those of the common law. I am a great admirer of our Quebec civil code. I consider it an almost perfect instrument for the administration of private law. But in constitutional matters, honourable gentlemen, I draw my inspiration not from France, my mother country, but from the great and venerable parliamentary institutions which all Canadians, whatever their origin, have inherited from Great Britain. This is why I consider it a grave error on the part of some of our opponents to regard our constitution as being entirely crystallized or, so to speak, codified in a so-called pact or treaty, the British North America Act. If we had accepted this view, our constitutional structure would be of the nature of a written constitution, so rigid that it could not adapt itself to changing circumstances or adjust itself to our status as a sovereign state, an international power. We would be condemned to wear, perhaps forever, children's clothes as they were tailored in 1867 for the then colonies or dependencies.

To try to stop the progress of our young and robust Canadian nation in the name of provincial autonomy or under the pretence of safeguarding religious or racial rights, to try to grant to any province the right of veto in federal matters, is in my opinion an act opposed to our national interests and to our social well-being. It is indeed a short-sighted policy to ignore the fundamental law of organic development. By so doing one would refuse to be reconciled to the idea that our constitution is really and truly a living organism which must continually and gradually change, which can never stand still, or it would decay and finally perish.

I have been brought up and educated by those who believe that our mission is to be in the vanguard of our national progress, that our task is to march steadily towards complete sovereignty, that our supreme satisfaction is to see our constitution grow and develop like a gigantic and glorious maple tree in this new world of ours.

With Lord Brougham I repeat that "constitutions must grow if they are to be of any value; they have roots, they ripen, they endure".

We are called upon today to consider a motion for enabling our Canadian Parliament to amend the British North America Act in purely federal matters. This fact shows very clearly the steady progress of our constitutional development. Personally I think that the growth of our constitution is due to a process of what may be called natural evolution.

Why has nature followed here its normal course? It is because, instead of having a constitution of the rigid type, consisting exclusively of a solemn document, we have a truly living and somewhat flexible, partly-written constitution. This flexibility of our constitution is due to that great body of unwritten principles and understandings which we have inherited from our British parliamentary institutions. In his masterly work on the Government of Canada, R. M. Dawson proves very clearly, at page 72, that our "unwritten constitution is every whit as important as the British North America Act": indeed, much of the British North America Act—I quote again—"is transformed and made almost unrecognizable by the operation of the former,"—our unwritten constitution—"which in all these instances consists of established customs and usages which have grown up over a long period of years." In other words, much of the British North America Act has been transformed by precedents or conventions.

This is true of the process of transformation undergone by our parliamentary practice since 1869, particularly in this matter of constitutional amendments. The British North America Act on this point has been transformed by a series of long-established precedents.

Originally, what was the effect of the failure of the Act of 1867 to set up any general machinery for its amendment? Among others, H. M. Clokie has stated, as appears at page 31 of *Canadian Government and Politics*, that:

> Imperial control of Canadian domestic affairs was secured by the British Parliament's power of amending the constitution.

It was also believed that the necessity to obtain an Imperial Statute to amend the British North America Act was a safeguard for provincial rights. Thus, in a statement issued on January 31, 1936, on the question of amending the Act of 1867, Hon. Mr. McNair asserted that "the provinces left the power to change the confederation in the custody and control of Westminster".

In matters involving the exercise of provincial powers, it is agreed that there should be no attempt to effect arbitrary changes by unilateral action of the Dominion Parliament. Thus we may assume, for the sake of discussion, that provincial matters may be still to some extent "in the custody and control of Westminster". But, on the contrary, as stated by Mr. King in 1943—as quoted by the Montreal *Gazette* of July 16 of that year—when the Parliament of Great Britain is asked to amend the British North America Act, in relation to federal matters, "such amendments are made automatically and without question on the request of the appropriate representatives of the Canadian people". Thus the constitutional amendments of 1943, 1946, 1949, were adopted in London as a pure matter of course and with a minimum of delay, simply on the joint address of the two houses of this parliament. To quote Clokie again at page 206:

> From the British viewpoint it is clear that the Dominion Government is the authoritative voice of Canada . . .

I may also say, as Dawson does at page 148, that the present system imposes on the British Parliament

> . . . a thankless task, one in which it has no responsibility, but which may at any time expose it to criticism and attack from a dissatisfied province.

On July 10, 1940, the British Solicitor General stated with weary resignation:

> As a matter of mere legal machinery it is still necessary, until some better method is evolved for amendment of the British North America Act, for the extension of the Canadian powers to be passed by this parliament. But our parliament, in passing such legislation, is merely carrying out the wishes of the Dominion Parliament, and in that way the legal position is made to square with the constitutional position . . . We must operate the old machinery which has been left over at their request in accordance with their wishes.

This passage is to be found in *Hansard* of the British House of Commons, July 10, 1940, at page 1177.

To sum up, the necessity to apply to Westminster for the authorization to amend our constitution in purely federal matters has become a pure formality; it cannot be now construed as being a safeguard for anybody, and it is a vestige of a former epoch which has become only an obsolete function. This anachronism is quite incompatible with our status as an independent and sovereign member of the community of nations. However, those who oppose the present measure claim that it should not be adopted because it has not received the assent of the provinces. To this argument I answer that as early as 1869-1871 the Canadian Parliament formally rejected the theory that, even in federal matters, the terms of the British North America Act can be amended only with the consent of

the provinces. Macdonald and several other Fathers of Confederation voted on two occasions against the resolutions requiring such provincial acquiescence.

In order to show how our constitution was interpreted by the Fathers of Confederation themselves as early as eighty years ago, let me quote an extract from the late Honourable Norman Rogers, as it appears in 9 *Canadian Bar Review,* 410. It is as follows:

> When it was proposed to extend better terms to Nova Scotia in 1869, it was argued very forcefully by Edward Blake that this involved a substantive change in the terms of confederation and ought to be effected by the process of constitutional amendment, and Mr. Holton, on the second reading of the bill, moved as follows:
>
> That in the opinion of this house any disturbance of the financial arrangements respecting the several provinces provided for in the British North America Act, unless assented to by all the provinces, would be subversive of the system of government under which the dominion was constituted. (See Journals of the House of Commons (Canada) 1869, page 260.)
>
> This resolution, which was in effect a formal enunciation of the compact theory of confederation, was rejected by a government presided over by Sir John Macdonald and by a House of Commons which included among its members not a few of the delegates who had represented their provinces at the Quebec Conference. It is interesting to note that the division lists reveal that Macdonald, Cartier, Galt, Tilley and Tupper voted against the acceptance of the doctrine of unanimous consent as set forth in this resolution. (See Journals of the House of Commons (Canada) 1869, page 260.) Two years later the question of provincial consent was revived during the discussion of the draft bill which was proposed to the Imperial Parliament for the purpose of removing doubts as to the competence of the Canadian Parliament to pass the Manitoba Act. On this occasion, Mr. Mills proposed a series of resolutions protesting against the procedure followed by the government. The last of these resolutions was as follows:
>
> That the representative legislatures of the provinces now embraced by the union have agreed to the same on a federal basis, which has been sanctioned by the Imperial Parliament. This house is of opinion that any alteration by Imperial legislation of the principle of representation in the House of Commons, recognized and fixed by the 51st and 52nd sections of the British North America Act, without the consent of the several provinces that were parties to the compact, would be a violation of the federal principle in our constitution, and destructive of the independence and security of the provincial governments and legislatures. (See Journals of the House of Commons (Canada) 1871, page 254.)
>
> This resolution contains the second definite assertion of the compact theory following the creation of the dominion. Once more the government declined to give approval to the principle. The provinces were not consulted. . . .

Again, in 1875, 1886, 1895, 1915, 1916, 1930, 1943, 1946 and 1949, the British North America Act was amended simply at the request of the Canadian Parliament and without any consent being obtained from the provinces. In a series of a dozen of constitutional amendments, the consent of the provinces was obtained only twice. The first time was in 1907, after a Dominion-Provincial conference, when the Imperial Parliament adopted amendments increasing provincial grants. "This example of consultation" occurred, according to Dawson, at page 144, "as a matter of political convenience and has not become a governing precedent". Of the seven subsequent amendments, only one received prior provincial assent; that was the amendment adopted in 1940 for the transfer of jurisdiction to the dominion in the matter of unemployment insurance. Why was the consent of the provinces obtained in 1940? Simply because the courts had decided that unemployment insurance formed part of the provincial matters contained in section 92 of the British North America Act.

The only conclusion which can logically be reached is that the consent of the provinces must be obtained for amending section 92, which deals with the jurisdiction exclusively assigned to the local legislatures. Nobody is now contesting this position. From the ten precedents just enumerated and which extend from 1871 to 1949, it follows that by a long and well-established custom the Canadian Parliament has assumed for almost eighty years the control and custody of our federal constitution, and that the provinces have never exercised nor enjoyed any effective right on our constitution in federal matters.

But it is contended that such precedents are bad precedents; that the British North America Act is a "treaty" or "compact" and should not be changed without the consent of the contracting parties. I will not attempt to add to what has been said on this head by the honourable senator from Vancouver South (Hon. Mr. Farris), but shall examine, from a purely legal point of view, the question whether or not the British North America Act can be called a treaty.

A treaty, in international law, is an agreement between two or more independent states. But, as remarked by Clokie, at page 205:

> Confederation was not based on a contract between individual sovereign states, it arose from political agreements between dependent, though responsible, colonial governments. The terms of these agreements were not incorporated in one document deriving its authority from provincial ratification; they were given legal sanction by a British statute.

Lower, at page 328 he affirms:

> There can be no question of "consenting parties" or a treaty; there were no consenting parties and there could be no treaty; the Crown rearranged its domains. But, according to the genius of the English tradition, it did not do so until it knew that its act would be acceptable to those of its subjects who were affected.

If the so-called Fathers of Confederation had really given birth to a "confederation of states", in the strict sense of that term; if the three colonies had declared their independence and adopted true "Articles of Confederation," as the thirteen American states did in 1781, then the constitution would be

in the nature of a treaty of alliance. In such a case our provinces would have become independent and sovereign states, international persons enjoying unimpared internal sovereignty. But I share the opinion of the late Honourable Norman Rogers, as stated in 9 *Canadian Bar Review*, page 413 that;

> The term "confederation" as applied to the Canadian union is a misnomer. What was actually set up by the British North America Act was a federal state or federation.

On that point I would also refer to Dawson, at pages 33, 36 and 91.

I may add, honourable senators, that the vague use of the word "confederation" has created much confusion in certain quarters. It has given rise to the theory that because the provinces are sovereign in their own sphere they are in all respects equal to our federal state, and may be described as sovereign states, in the fullest sense of that term. On the contrary, it is evident that only our central power is a sovereign state in international law. Indeed, that Canada is one country and not ten countries is a truism which requires no demonstration.

At all events, the Quebec Resolutions cannot, legally speaking, be described as a treaty, because, as remarked by the late Mr. Rogers, in 9 *Canadian Bar Review*, page 400:

> There was no grant of powers to conclude a treaty, compact or binding agreement. The colonies of British North America had not acquired in 1864 the right to conclude commercial or political engagements either between themselves or with other countries.

After fully discussing this matter, Mr. Rogers concludes, at page 401, that delegations from the several provinces were simply authorized:

> . . . to confer on the subject of union in order that the home government might have the benefit of their advice before introducing the necessary legislation in parliament. There was no grant of authority to conclude a treaty, compact, or binding agreement upon matters which had been dealt with by the Imperial Parliament.

I wish now to repeat that in 1864-66 only the Imperial Parliament had the power to make a treaty or compact on behalf of the British Crown with another state. When Macdonald in 1865 called the Quebec Resolutions a "treaty", he meant, I believe, that such resolutions constituted a tentative arrangement arrived at on behalf of the three provinces concerned—my reference is found in the French edition of Mr. O'Connor's work, at page 170—and that if the Quebec Resolutions as adopted by the delegates in 1864 were not approved by the Parliament of Canada, it would be necessary to obtain further approval for any modification introduced by the unilateral action of the Canadian Parliament.

Macdonald was perfectly right in taking that attitude. The Quebec Resolutions had been tentatively agreed upon, and could not be changed without the consent of all the parties who had already subscribed to such definite terms of union. However, I submit that Macdonald was using the word "treaty", not in its strictly technical sense, but figuratively, in order to describe the solemn draft of a plan of union to which the delegates of the provinces then contemplated giving binding effect by means of an Act of the Imperial Parliament.

But in 1866 things in London took a turn different from what Macdonald anticipated. The delegates from the Maritime Provinces declared that they were not bound by the Quebec Resolutions. The London Resolutions introduced substantial changes, and finally the British North America Act contained some further changes.

After 1866, as we have already seen, Macdonald, Cartier and other Fathers of Confederation refused to treat the British North America Act as either a treaty or a compact.

To sum up, the Quebec Resolutions had to some extent a conventional character from the time of their adoption in 1864 until they were replaced in 1866 by the London Resolutions. The London Resolutions, in their turn, resulted from an agreement among the delegates, but they were modified and replaced by the British North America Act. It remains true that the Quebec Resolutions were used as the main basis for our federation. In this sense they were accepted in fact as a so-called "treaty of union" among the then provinces—Canada, Nova Scotia and New Brunswick. In re Attorney-General for Australia v. Colonial Sugar Refinery Company (1914) A.C. at 252-3, the Privy Council stated:

> The Canadian Constitution . . . when once enacted by the Imperial Parliament, constituted a fresh departure, and established new Dominion and Provincial governments with defined powers and duties both derived from the Act of the Imperial Parliament which was their legal source.

Reaffirming its view just cited, the Privy Council held, in re Bonanza Creek Gold Mining Company v. The King (1916) 1 A.C. at 579, that at the time of the enactment of the British North America Act

> . . . the constitutions of the provinces had been surrendered to the Imperial Parliament for the purpose of being refashioned. The result had been to establish wholly new dominion and provincial governments with defined powers and duties, both derived from the statute which was their legal source, the residual powers and duties being taken away from the old provinces and given to the dominion.

I know that some previous judgments of the Privy Council may be cited in favour of the treaty or compact theory, but I submit that they are overruled by the more recent

decisions and by the long parliamentary practice which I have already described concerning amendments to the British North America Act in federal matters.

For all these reasons, I submit that the proper distinction to make is the following: The British North America Act resulted to some extent from the consent expressed on behalf of Canada, Nova Scotia and New Brunswick; but in form it is purely and simply an Imperial Statute; it does not constitute "Articles of Confederation"—in which hypothesis no amendment could be made thereto without the consent of all the signatories.

Canada is not a confederation, and I wish to remark here that the British North America Act does not use anywhere the word "confederation". In the preamble there is a reference to the desire of the three provinces to be federally united, and the term used afterwards in the Act is simply "union".

For all these reasons I am convinced, like Clokie at page 193, and like Rogers and Dawson, that Canada is a federal state, or federation, not a confederation of states. I am convinced also that in the British North America Act, which created a federal state with four original provinces, there are parts which are of quite a different character. Without trying to give an exhaustive list of such essentially distinct parts in the Act of 1867, I may point to Part V, sections 58 to 90, entitled "Provincial Constitution", and also to section 92 entitled "Exclusive Powers of Provincial Legislatures". Such provincial constitution and provincial powers constitute for our ten provinces acquired rights; and by the present measure the Canadian Parliament will not obtain any power either to amend the provincial constitution or to take away from the provinces any of their rights. Any Act of our Canadian Parliament encroaching on Part V or on section 92 would evidently be declared *ultra vires* by our courts.

Again let me refer to section 93, respecting education, and to section 133, concerning the use of English and French. Such sections of the British North America Act are intrinsically quite different from the sections which concern exclusively our federal constitution, namely, Parts III and IV. The motion before us is expressly limited to federal matters and expressly excepts all other subjects from its scope. Thus, we do not touch any part of the constitution which concerns provincial constitutions, provincial rights or the protection of minorities. It would be highly improper for the Canadian Parliament to apply to Westminster, without the consent of the provinces, to obtain power to amend the British North America Act in either of such provincial or special matters. In other words, any amendment of that part of our constitution concerning provincial matters, and covering education and the use of both our official languages, will continue to be subject to Imperial enactments until we all agree on a different procedure.

On the contrary, in purely federal matters the effective control over amendments has been exercised since 1871 by the Canadian Parliament. As remarked a few years ago by Clokie, at page 24:

> The seventy-one year old practice of the Canadian constitution, the solemnly expressed conventions of dominion status, and the usage of fellow members of the British Commonwealth of Nations all combine to show that the sovereign British Parliament has now accepted a formal and technical role in relation to Canada similar to that long held by the Crown both in Britain and in Canada.

Dawson at page 146 refers

> . . . to the very real conventional power of the dominion parliament to request the passage of amendments from the British parliament and the obligation laid on the latter to follow this request.

Through the present Act we merely want to remove the apparent contradiction now existing between legal procedure and actual practice in relation to amendments in purely federal matters. The Canadian Parliament is simply asking for a power equivalent to that of our provinces over their own provincial constitutions, as specified in section 92, paragraph 1. Our provinces are mistresses in their own houses. Let the Canadian Parliament be master in purely federal matters.

Until the present measure is adopted, as pointed out by Dawson, page 138:

> Canada occupies a somewhat humiliating position; for after many years of insistence on her independent status, she is compelled to admit that she is dependent upon an outside legislative body for the exercise of one of the most basic powers of self-government.

The further step which we are now taking towards our full national independence and sovereignty constitutes a great historical achievement. The motion now before us does not take away from the provincial legislatures one iota of the jurisdiction which they now effectively enjoy and exercise. We are only obtaining formal sanction for the jurisdiction already definitely recognized as pertaining to the Canadian Parliament. We merely want to set up a logical procedure, perfectly in accordance with the principles affirmed by a long series of precedents. In constitutional matters, honourable gentlemen, such precedents acquire with time an irresistible strength. I recall the saying of one of my old professors that "law is to custom like the moss which re-covers a stone". Today we are simply asking the Imperial Parliament to put in legal form our conventional practice for three-quarters of a century.

In such purely federal matters, and on such a question of convention, according to Clokie, page 206, there is no legal obligation for our government to consult with the provinces. Any attempt at such consultations would be illogical; it would set back the clock of time; it would mean considerable delays; and judging from our past experience, it might even result in a deadlock. The Dominion-Provincial conference will shortly be convened for studying plans to secure amendments to the parts of the British North America Act that are not covered by the present measure. This is in every respect the proper course to follow.

It does great credit indeed to our distinguished Prime Minister and to his colleagues. On this great national question Mr. St. Laurent has shown a rare quality of statesmanship, and he deserves our heartiest congratulations. For this contribution to our national maturity, our Prime Minister will pass into history as one of the great builders of our Canadian nation.

I am glad to support the adoption of the historic measure now before us, which will remain forever an outstanding landmark in our constitutional evolution.

On motion of Hon. Mr. Howard the debate was adjourned.

THE ESTIMATES

CONSIDERATION BY STANDING COMMITTEE ON FINANCE

Hon. Mr. Robertson moved:

That the Standing Committee on Finance be authorized to examine expenditures proposed by the estimates laid before parliament, and by budget and other resolutions relating to proposed financial measures of which notice has been given to parliament, in advance of the bills based on the said estimates and resolutions reaching the Senate.

He said: Honourable senators will recall that this resolution is in the same form as a previous one. It has been introduced in response to the suggestions which were made when we were considering interim supply.

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, November 2, 1949

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

Prayers and routine proceedings.

BANKRUPTCY BILL

REPORT OF COMMITTEE

Hon. J. W. de B. Farris presented the report of the Standing Committee on Banking and Commerce on Bill F, an Act respecting bankruptcy.

(The report was read by the Clerk Assistant.)

The Standing Committee on Banking and Commerce to whom was referred the Bill F, intituled "An Act respecting Bankruptcy", have in obedience to the order of reference of October 6, 1949, examined the said Bill and now beg leave to report the same with the following amendments:

1. Page 8, lines 10 and 11: Delete "and the official receivers are entitled to receive as their remuneration the fees of the office".

2. Page 13, line 2: Delete "two years" and substitute "one year".

3. Page 14, line 1: After "forthwith" insert "temporarily".

4. Page 14, line 3: Delete "until sold or disposed of.".

5. Page 14, line 3: After "bankrupt," insert "for such amount and against such hazards as he may deem advisable until the inspectors are appointed whereupon the inspectors shall determine the amount for which and the hazards against which the bankrupt's property shall be insured by the trustee."

6. Page 16, lines 14 to 19: Delete paragraph (c) and substitute:

"(c) carry on the business of the bankrupt so far as may be necessary for the beneficial administration of the estate;".

7. Page 43, lines 15 to 29: Delete clause 52 and substitute:

"52. (1) Nothwithstanding anything contained in this Act or in any other statute, the author's manuscripts and any copyright or any interest in a copyright in whole or in part assigned to a publisher, printer, firm or person becoming bankrupt or against whom a receiving order has been made shall,

(a) if the work covered by such copyright has not been published and put on the market at the time of the bankruptcy or receiving order and no expense has been incurred in connection therewith thereupon revert and be delivered to the author or his heirs, and any contract or agreement between the author or his heirs and such bankrupt shall then terminate and be null and void;

"(b) if the work covered by such copyright has in whole or in part been put into type and expenses have been incurred by the bankrupt, revert and be delivered to the author on payment of the expenses so incurred and the product of such expenses shall also be delivered to the author or his heirs and any contract or agreement between the author or his heirs and the bankrupt shall then terminate and be null and void: Provided that if the author does not exercise his rights under this paragraph within six months of the date of the bankruptcy, the trustee may carry out the original contract;

(c) if the trustee at the expiration of six months from the date of the bankruptcy decides not to carry out the contract, revert without expense to the author and any contract or agreement between the author or his heirs and such bankrupt shall then terminate and be null and void.

(2) If, at the time of the bankruptcy or receiving order, the work was published and put on the market, the trustee shall be entitled to sell, or authorize the sale or reproduction of, any copies of the published work, or to perform or authorize the performance of the said work, provided that there shall be paid to the author or his heirs such sums by way of royalties or share of the profits as would have been payable by the bankrupt; and the trustee shall not, without the written consent of the author or his heirs, be entitled to assign the copyright or transfer the interest or to grant any interest therein by licence, or otherwise, except upon terms which will guarantee to the author or his heirs payment by way of royalties or share of the profits at a rate not less than that which such bankrupt was liable to pay, and any contract or agreement between the author or his heirs and such bankrupt shall then terminate and be null and void, except as to the disposal, under this subsection, of copies of the said work published and put on the market before the bankruptcy or the receiving order.

(3) The trustee shall offer in writing to the author or his heirs the right to purchase the manufactured or marketable copies of the copyright work comprised in the estate of the bankrupt at such price and upon such terms and conditions as the trustee may deem fair and proper before disposing of such manufactured and marketable copies in the manner prescribed in this section."

8. Page 45, line 38: After "trustee," insert "if the trustee can prove".

9. Page 45, lines 38 and 39: Delete "unless the parties claiming under the settlement can prove".

10. Page 45, line 40: Delete "able" and substitute "unable".

11. Page 45: Add the following as new subclause (3) to clause 60:

"(3) This section shall not extend to any settlement made

(a) before and in consideration of marriage, or

(b) in favour of a purchaser or incumbrancer in good faith and for valuable consideration, or

(c) on or for the wife or children of the settlor of property which has accrued to the settlor after marriage in right of his wife."

12. Page 47, lines 14 to 36: Delete clause 64 and substitute:

"64. (1) Every conveyance or transfer or property or charge thereon made, every payment made, every obligation incurred, and every judicial proceeding taken or suffered by any insolvent person in favour of any creditor or of any person in trust for any creditor with a view of giving such creditor a preference over the other creditors shall, if the person making, incurring, taking, paying or suffering the same is adjudged bankrupt on a bankruptcy petition presented within three months after the date of making, incurring, taking, paying or suffering the same, or if he makes an authorized assignment, within three months after the date of the making, incurring, taking, paying or suffering the same, be deemed fraudulent and void as against the trustee in the bankruptcy or under the authorized assignment.

(2) If any such conveyance, transfer, payment, obligation or judicial proceeding has the effect of giving any creditor a preference over other creditors, or over any one or more of them, it shall be deemed prima facie to have been made, incurred, taken, paid or suffered with such view as aforesaid whether or not it was made voluntarily or

under pressure and evidence of pressure shall not be receivable or avail to support such transaction.

(3) For the purpose of this section, the expression "creditor" shall include a surety or guarantor for the debt due to such creditor".

13. Page 48: Delete subclause (1) of clause 65 and substitute:

"65. (1) Subject to the foregoing provisions of this Act with respect to the effect of bankruptcy or of an authorized assignment on an execution, attachment or other process against property, and with respect to the avoidance of certain settlements and preferences, nothing in this Act shall invalidate, in the case of a receiving order or an authorized assignment,

(a) any payment by the bankrupt or assignor to any of his creditors;

(b) any payment or delivery to the bankrupt or assignor;

(c) any conveyance or transfer by the bankrupt or assignor for adequate valuable consideration;

(d) any contract, dealing, or transaction by or with the bankrupt or assignor for adequate valuable consideration;

Provided that both the following conditions are complied with, namely:

(i) That the payment, delivery, conveyance, assignment, transfer, contract, dealing, or transaction, as the case may be, is in good faith and takes place before the date of the receiving order or authorized assignment; and

(ii) That the person, other than the debtor, to, by, or with whom the payment, delivery, conveyance, assignment, transfer, contract, dealing or transaction was made, executed or entered into, has not at the time of the payment, delivery, conveyance, assignment, transfer, contract, dealing or transaction, notice of any available act of bankruptcy committed by the bankrupt or assignor.

(2) The expression "adequate valuable consideration" in paragraph (c) of this section means a consideration of fair and reasonable money value with relation to that of the property conveyed, assigned or transferred, and in paragraph (d) hereof means a consideration of fair and reasonable money value with relation to the known or reasonably to be anticipated benefits of the contract, dealing or transaction."

14. Page 48, line 9: Renumber subclause (2) as subclause (3).

15. Page 54, line 29: Delete the period and substitute a semicolon.

16. Page 54: Add the following as paragraph (c) to subclause (3):

"(c) any wholly owned subsidiary company or any officer, director or employee thereof."

17. Page 57, line 4: Delete "audit" and substitute "examine".

18. Page 74, line 4: After "bankruptcy", insert a semicolon.

19. Page 74, lines 4 and 5: Delete "or since any of his present debts were incurred".

20. Page 76, line 12: After "property" add "and may order any person liable to be so examined to produce any books, documents, correspondence or papers in his possession or power relating in all or in part to the bankrupt, the trustee or any creditor."

21. Page 86, line 24: Delete "High" and substitute "Supreme".

22. Page 86, lines 24 and 25: Delete "Justice for the province" and substitute "Ontario".

23. Page 101: Insert the following as new clauses 168 and 169 and renumber clauses 168 to 172 as 170 to 174:

"168. The fees payable to officers of the court shall be in accordance with the tariffs established by the General Rules and shall belong to the Crown in the right of the province, but the Lieutenant-Governor in Council may allow the same in whole or in part to such officers.

169. Nothing in the provisions of this Act shall interfere with, or restrict the rights and privileges conferred on banks and banking corporations by the Bank Act."

The Hon. the Speaker: When shall the amendments be taken into consideration?

Hon. Mr. Farris: Honourable senators, I would respectfully suggest that the amendments be considered now. I think the honourable leader will develop a little more fully the facts as to the time which already has been devoted to this bill, not only this session but during two or three previous sessions.

I would point out that unless we deal very quickly with this bill and get it into the House of Commons without much delay it is likely to be stranded,—

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Farris: —and we shall have it on our hands again next session. I think it rather essential therefore, that there be no delay.

Honourable senators have heard the amendments to the bill, and while they may sound a little mystifying, many of them are merely routine, and I do not think that honourable senators who were not on the committee need worry about them.

There were two or three principal matters to which special attention was given. One pertained to the application of section 88 of the Bank Act. Those who have had dealings in business affairs will recall that sections 88 and 89 of the Bank Act are the two working sections under which businessmen are able to obtain loans from the bank on the security of their floating assets. Section 189 of the old Bankruptcy Act, which has been in existense for many years, provides that nothing in that Act shall interfere with the workings of sections 88 and 89 of the Bank Act. The drafting of the present bill provided for the deletion of section 189, and this would have meant that the Bank Act might have been affected. After careful consideration and the hearing of representations, the committee was unanimously of the opinion—and it was finally concurred in by the Superintendent of Insurance—that section 189 should be restored. This would mean that sections 88 and 89 in the Bank Act would not be tampered with. That was one of the most basic and important amendments considered by the committee.

Another amendment has to do with the copyright of books and other things of that nature by authors at a time when the publisher has become bankrupt. Provisions have

been made whereby, under certain conditions, the author may recover his book if it has not yet been published. If no expenditure has been made by the publisher, the author may recover his book almost automatically. If, on the other hand, expenditures have been made in connection with the publication, even though the book has not yet been published, the trustee is given a certain length of time in which to decide whether he is going to proceed with publication or not, and the author is likewise given a period of time to decide whether he is going to take the book back. I think honourable senators may rely on these provisions as being satisfactory.

The committee heard new representations in addition to those already heard in previous years, and although the people making them did not get all they asked for, I believe they went away reasonably satisfied. At the same time I am sure the Superintendent of Insurance feels that none of the changes made will seriously disturb the policy laid down by the Department.

The committee held lengthy sessions, during which it went carefully into these matters. In addition, there was a subcommittee, of which the honourable senator from Toronto (Hon. Mr. Hayden) was chairman and the honourable leader of the opposition (Hon. Mr. Haig) was a member. This subcommittee spent a great deal of time with the Superintendent of Insurance and Mr. MacNeill, the Law Clerk and Parliamentary Counsel of the Senate, going into a digest of the various contentious parts of the bill. The main committee then had the benefit of the subcommittee's report, and was thus enabled to deal with the matter in an effective manner, so I think we are quite justified in dealing with these amendments now.

Hon. Vincent Dupuis: Before the honourable leader speaks, would he allow me to make a humble suggestion about this important measure? Many of us who are lawyers feel that, for a number of serious reasons, our Bankruptcy Act should have been amended a long time ago. The honourable gentleman from Vancouver South (Hon. Mr. Farris), who has suggested immediate consideration of the amendments proposed in the Banking and Commerce Committee's report, said that senators who are not on that committee need not worry about these amendments. I am not worrying. In fact, as a lawyer, I am ready to admit that the members of that important committee, who are all very capable persons, have done a good job. But the common people have the right to submit their views on this important piece of legislation.

In my opinion, those of us who wish to do so should have an opportunity to study the complete bill, as amended, and not only in the text in which it was amended but in the French text, which I suppose was not studied and amended concurrently with the English text. Therefore I strongly urge that consideration of the report be postponed for a period long enough to permit copies of the amended bill to be printed in English and French and distributed to every member of the Senate. Unless we can study the bill as amended, we cannot form an opinion as to whether it is in the interests of the people.

My honourable friend from Vancouver South (Hon. Mr. Farris) does not seem to be in favour of my suggestion, but I would point out once more that this is an important piece of legislation, and that we have the right to know what we are doing. My honourable friend may say, "If you were interested in the bill you ought to have attended the committee's sittings and followed its proceedings", but that argument would surely not be allowed to override the feeling of those who are not members of the committee and who would like further time to study the bill. Every senator who is not on the Banking and Commerce Committee has the right to have an opportunity to study the amended bill carefully, in order to understand the full effect of what has been done. I therefore urge again that consideration of the amendments be postponed until next week.

Hon. Mr. Farris: Honourable senators, there is no question about my honourable friend's right to a postponement. It is a fully recognized right and one that he does not need to assert, for my proposal that the amendments be considered today could only be carried by unanimous consent. But in fairness to myself I should like to point out that by far the greater part of the bill was not amended by the committee, and that the bill in substantially its present form has been before this house for the whole of the current session, as well as during the two preceding sessions.

Hon. Mr. Dupuis: But were we furnished with copies of it?

Hon. Mr. Farris: Yes. I am not opposing my honourable friend's request that consideration of the amendments be postponed, for, under our rules, there is no question about his right to make that request. But if there is any implication that I was trying to railroad the bill through, I wish to repeat that the whole bill, except for these amendments —and they are very trivial in comparison with the great principles involved—has been printed and distributed to every senator this session, to say nothing of the two previous sessions.

Hon. Mr. Howard: In both French and English.

Hon. Mr. Farris: It has been in practically the same form during all that time.

Hon. Wishart McL. Robertson: Honourable senators, I heartily concur in the remarks of the Chairman of the Banking and Commerce Committee (Hon. Mr. Farris). There is no question that the amendments cannot be considered today without unanimous consent of the house.

But what I want to say just now has nothing to do with that point. In my official capacity I simply wish to express a word of appreciation of the very fine work that the committee has done on this important bill.

The reporting today by the Banking and Commerce Committee of its findings on the Bankruptcy Bill marks the culmination of an arduous and exacting task which had its beginning in the early summer of 1946. The bill contains 103 pages and 172 clauses. In the course of its study, over which in the main you, Mr. Speaker, so gracefully and efficiently presided, the committee held 19 meetings, revised the measure twice and made available to its extensive mailing list more than 12,000 copies of its day-to-day proceedings. Before submitting its final report the committee had heard a wide and varied list of witnesses. It considered representations from the Quebec Superior Court and the Supreme Court of Ontario, from mortgage, investment and credit companies, from bank and bar associations, and from boards of trade, industrial firms and many other groups. So numerous were the letters and briefs submitted to the committee that a subcommittee was appointed to ensure that no submission from any group, however small, was overlooked.

The Bankruptcy Bill, as it now stands, represents a successful effort on the part of the Senate Banking and Commerce Committee to hear from all interested persons and organizations across Canada, and to incorporate into the measure as many of their recommendations as were considered feasible.

On behalf of their fellow senators and, I believe, of the public in general, I wish to extend to the Banking and Commerce Committee our congratulations on work well done.

As a tangible evidence that my expression of appreciation of work well done is no mere platitude, I am today introducing a bill respecting national defence, which not only is of great importance but, as compared with the Bankruptcy bill and its 172 sections, consists of 253 sections. The Minister of National Defence, the Honourable Mr. Claxton, will come to the Senate next Tuesday evening to explain this bill. I have not the slightest doubt that if the Senate gives second reading to the bill and refers it to the Banking and Commerce Committee for detailed consideration, it will receive the same painstaking attention that the committee has given to the bill just reported.

Hon. John T. Haig: Honourable senators, the honourable gentleman from Rigaud (Hon. Mr. Dupuis) has of course the right to ask that consideration of the report be postponed, but I would urge him not to press his request. I will state why. This is a very important measure for business people. During our last three sessions copies of the bill and of our Banking and Commerce Committee's proceedings, including the evidence taken from witnesses, have been sent out to everyone likely to be interested in this kind of legislation. I myself sent copies to everyone in my own province that I thought would be interested. As leader of the opposition I would be the last person to criticize the objection of any senator to consideration of a committee's report on the very day of its presentation, for it is often necessary to have time to consider a report in order to prevent undue haste in the passing of government legislation. But, as was pointed out by the chairman of the committee, the Bankruptcy Bill has been before the Senate during the present session and the preceding two sessions. It would therefore seem that every senator has had full opportunity to acquaint himself with the measure.

Hon. Mr. Dupuis: Would the honourable leader of the opposition allow me to interrupt? He has said that copies of the bill have been widely distributed over the country. Has he received any comments on the bill from interested parties?

Hon. Mr. Haig: Yes. I have received thanks from everybody to whom I sent a copy.

Hon. Mr. Dupuis: Have representations been made by people in different parts of the country—in Montreal, Toronto, Vancouver and Halifax, for instance?

Hon. Mr. Haig: Yes. I am a member of the committee to which the leader of the government has been kind enough to pay tribute for the work done upon this bill. Representations were made by interested groups in every part of Canada.

Hon. Mr. Moraud: Including Quebec.

Hon. Mr. Haig: As my honourable friend from La Salle reminds me, representatives of interested parties appeared from Quebec as well as from all the other provinces. Every recommendation and suggestion made to the committee, whether in a brief or by oral evi-

dence, was carefully considered before the report was drafted. The honourable senator from Grandville (Hon. Mr. Bouffard) made representations on behalf of the Quebec Bar; and we also heard from members of the Canadian Bar Association. We went over all the suggestions in detail, and discussed them with the superintendent.

Hon. Mr. Dupuis: Were all the suggestions of the Canadian Bar Association adopted?

Hon. Mr. Haig: No, certainly not, but they were considered fully. I am a member of the Canadian Bar Association, and I know that every single representation made by that association was discussed. We had on the committee such members as the honourable senior senator from Toronto (Hon. Mr. Hayden), the honourable senator from L'Acadie (Hon. Mr. Leger), the honourable senator from Carleton (Hon. Mr. Fogo), and the honourable senator from Wellington (Hon. Mr. Howard) three of whom are lawyers and members of the Canadian Bar Association.

My only reason for rising at this time is that I am afraid the other house will not get through its business by early December.

Hon. Mr. Howard: That is right.

Hon. Mr. Haig: It has a long list of government measures before it, and I am concerned for fear that this bill, which is very much in the interest of Canadian business, will not be passed this session; but if it is high enough on the order paper in the other house, the government will have to consider it.

I say quite candidly that the young man who is now Superintendent of Bankruptcy impressed me favourably, and I would be pleased to see him administer this new Act, which he has helped to frame, for the benefit of the country.

Since 1946 I have been on every committee that has considered the bankruptcy measure. Further, I have personally interviewed all the official receivers in the province of Manitoba. If a personal reference may be pardoned, I would add that my law office has considerable bankruptcy practice, and I know pretty well the sort of legislation that is required. When certain suggestions were made before the committee I considered them in the light of my own experience and what the receivers had told me.

As far as the copyright provisions are concerned, the Canadian Authors' Association made certain recommendations. Certain suggestions came from my friend's province, and these were considered by the honourable senator from Sorel (Hon. Mr. David), the honourable senator from Kingston (Hon. Mr. Davies) and myself. The Canadian Authors' Association thanked us very kindly for the amendment we proposed.

As to banking arrangements, we considered the whole matter very fully. We submitted questions to Mr. MacDonald, the superintendent, and he came before us and said that the solicitors for the bankers requested certain amendments. He suggested that it was perhaps better to restore certain provisions which it was proposed to cut out of the present act, and we adopted his suggestion unanimously.

Bankruptcy is a very intricate subject, and I would hate to see this bill go over until next session, particularly after the committee has done so much work on it. Bankruptcy questions as between unsecured creditors, secured creditors and the assignees, are always controversial. We have tried as best we can to find a solution for the various problems, and I would ask my honourable friend to withdraw his objection.

Hon. Mr. Dupuis: Honourable senators, with the indulgence of the house, I should like to state more clearly my views on the subject, and to answer some remarks made by the honourable member from Vancouver South (Hon. Mr. Farris). My honourable friends know me well enough to appreciate that I have a high regard for the work done by this committee. Nevertheless, I think that all members of the Senate have a right to know the details of such an important piece of legislation before adopting it. I am acting in a spirit not of stubbornness but of conscientiousness and I believe that I am in the right. I have a responsibility to the ordinary lawyers—not corporation lawyers—who are interested in this bill. In such an important matter it is the duty of this house to protect the public by seeing that all of the amendments are fully considered before the bill is passed.

The honourable leader opposite (Hon. Mr. Haig), for whom I have the highest regard, surely will not force my sentiments to the limit by asking me to withdraw my objection. I understand very well that I have the right to prevent the passing of this bill now, but I do not wish to use my power arbitrarily. I only wish to make sure that the members of this house have an opportunity to at least look over these amendments before they are passed. I was surprised to hear the honourable senator from Vancouver South refer to the amendments as minor—

Hon. Mr. Beaubien: He did not say that.

Hon. Mr. Dupuis: —although, he said, it took three years to pass them.

Hon. Mr. Farris: When I said that amendments were of a minor nature I referred to some of those that were read at the table today. I did not say that all were minor.

Hon. Mr. Dupuis: I am glad to have my friend's explanation. I wish him to know that I have never made the suggestion that he intended to railroad the bill. My only thought in raising these points is that such an important measure should not be passed by the Senate without proper consideration. This house, which is composed of persons of high reputation, is not always regarded by the public as it should be; therefore it is most important that we take the proper time to consider this measure. I do not insist that consideration of the report be postponed until next week, but I beg the house to give me an opportunity of looking over the amendments between now and tomorrow afternoon, when the report of the committee can again come before us.

Consideration was postponed.

NATIONAL DEFENCE BILL

FIRST READING

Hon. Mr. Robertson presented Bill J-5, an Act respecting National Defence.

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 W-4, an Act for the relief of Chesna Laing Shapiro.

Bill X-4, an Act for the relief of Edith Turcotte.

Bill Y-4, an Act for the relief of Irene Brodwin Miller.

Bill Z-4, an Act for the relief of Jean Ruth Montgomery Loiselle.

Bill A-5, an Act for the relief of Joseph Charles Michel Emery.

Bill B-5, an Act for the relief of Lyla Almina Wharry Johnston.

Bill C-5, an Act for the relief of Marjorie Helen Glass Nixon.

Bill D-5, an Act for the relief of Olga Hetmanchuk Dorval.

Bill E-5, an Act for the relief of Grace Melina Cotton Crawford.

Bill F-5, an Act for the relief of Thomas Gillespie Shields.

Bill G-5, an Act for the relief of Czerna Berger Borodow.

Bill H-5, an Act for the relief of Freda Tippett Hart.

Bill I-5, an Act for the relief of Rebecca Rosa Jacobs Bershadsky.

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, at the next sitting.

SUPREME COURT BILL

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Robertson for the second reading of Bill 2, an Act to amend the Supreme Court Act.

Hon. Salter A. Hayden: Honourable senators, we have had a very interesting and informative debate on the question of amendments to be made to the Supreme Court Act to the end that the Supreme Court of Canada shall become the court of ultimate appeal for Canada in civil matters, as it is now in criminal matters. My only justification for speaking—and I intend to be brief—is the importance of this subject and the implications involved in constituting the Supreme Court of Canada a court of ultimate appeal. This bill marks another break with the past, but it also marks another step on the way to a completely autonomous nation. Needless to say, there will be nothing in my remarks to indicate that I have anything but unqualified support for the action which is now being taken. If I were to voice any criticism, it would be that the measure should have come much earlier.

In the course of discussion in this chamber a number of points have been considered. There is one to which I should like to refer, very briefly, in order to clarify the situation. I have in mind the doctrine of *stare decisis,* to which reference has been made by several senators in the course of their speeches.

The Canadian Bar Association at its annual meeting passed a resolution one of the provisions of which referred to this subject. Translated into ordinary English, *stare decisis* means that a court will be bound by previous decisions, or that the results of decided cases will be reflected in subsequent judgments of the court. What the Canadian Bar Association recommended, in the course of its resolution dealing with this subject-matter, was that the rule of *stare decisis* should continue to be applied with respect to past decisions of the Supreme Court as well as past decisions of the Judicial Committee. When, subsequent to the publication of this recommendation, the amendments to the Supreme Court Act were introduced in another place, the president of the Canadian Bar Association gave an interview in which, dealing with this point of *stare decisis,* he had this to say:

I wish to make particular reference to this recommendation, for I regard it as of vital importance.

It is true that the resolution of the Canadian Bar Association does not provide specifically that this recommendation should be given statutory effect, but I fail to see how it can be made completely binding otherwise than by statute.

As a result of the resolution of the association and the interview given by the president, a body of thought has been developed on the assumption that the Canadian Bar Association recommended not only that the principle of *stare decisis* be established but that it be embodied in this amending bill. Under these circumstances I think this chamber should know that the resolution which the Canadian Bar Association passed was the result of a consideration of the subject by a number of outstanding Canadian lawyers, and the discussion of their report by the association. But that same committee of learned gentlemen had interviewed as early as April of this year the responsible officers of the Department of Justice, and subsequently put in the form of a letter the substance of their recommendations in connection with this very subject matter. If you check the contents of their letter with the contents of the resolution of the Canadian Bar Association, you will see that they agree very closely, except for one statement communicated to the meeting of the Canadian Bar Association to the effect that nothing should appear in the statute with relation to the *stare decisis* rule. That was the majority view of those lawyers.

My reason for emphasizing this fact is that we sometimes hear the opinion expressed that we should make this doctrine effective by Statute so that the Supreme Court of Canada may hereafter follow this principle. In my opinion this would be a bad thing, because, owing to the many situations involved, the only rules we could work out would be a never-ending series of pronouncements. For instance, suppose the Supreme Court of Canada, after becoming the ultimate court of appeal, gave a judgment on a certain subject matter, and that in the next year the same subject matter came up before the Privy Council or the House of Lords, and a different ruling was made, what would be the rule thereafter to bind the Supreme Court? Should it follow its own previous judgment, the judgment of the Privy Council, or the judgment of the House of Lords? How would this affect the courts of appeal in the various provinces? If you had the situation occurring that I have cited, in what direction would the appellate courts in the provinces go? Would they follow the decision of the House of Lords, that of the Privy Council, or that of the Supreme Court? As I say, there would be a never-ending series of rules that would be changed from year to year.

My own opinion is that if we have sufficient confidence in our ability to establish and maintain a court of ultimate appeal in Canada, we should have sufficient confidence in those persons who may from time to time constitute the membership of that court to believe that they will continue to exercise their understanding and wisdom in the administration of Canadian justice.

Some Hon. Senators: Hear, hear.

Hon. Mr. Haig: Suppose the Supreme Court of Canada made a decision on a certain matter, and in ten years' time a somewhat similar question arose, what would be the binding effect of the former decision of the Supreme Court?

Hon. Mr. Howard: That is a tough one.

Hon. Mr. Hayden: I want to warn you right now that anything I may have to say will not be binding on the Supreme Court of Canada.

Some Hon. Senators: Oh, oh.

Hon. Mr. Hayden: I also wish to reserve the right, in the light of future circumstances, to reach a different conclusion. Having thus protected myself, I would say, on the analogy of the Privy Council, that if the Supreme Court of Canada, were to render a judgment on a certain subject matter, and a similar question were to arise at a future date, unless there were certain changed circumstances, the court, exercising reasonable judgment and common sense, would follow its previous decision. However, it is one thing to say it would, and it is another thing to say it must. A court of ultimate appeal must have a certain flexibility so that some consideration may be given to changing circumstances.

Let me illustrate further. When the honourable senator for Inkerman (Hon. Mr. Hugessen) gave his careful and critical analysis of the attitude of the Privy Council, I did not gather that he was criticizing or challenging the judicial integrity of that body. What I understood him to mean was that in the approach to the statute and the interpretation of our constitution there should be some degree of flexibility; that consideration should be given, not to a mere bag of bones, but to custom and changing conditions. As I see it, his only criticism—if you can call it such—was that the people who are best qualified to pass final judgment are those who possess the necessary judicial integrity and who live in Canada and are familiar with Canadian atmosphere. As I understood his speech on that point, it went only that far; and I am in agreement with it.

As to the honourable senator from Vancouver South (Hon. Mr. Farris), I have no quarrel with his energetic exposition of the merits of the Privy Council. I would not think of suggesting that the members of the Privy

Council did not possess the capacity to deal with legal problems with knowledge and judicial integrity. While I enjoyed the speeches of the honourable senator from Inkerman (Hon. Mr. Hugessen) and the honourable senator from Vancouver South (Hon. Mr. Farris) I was not at all moved by their remarks, because the question of whether or not Canada should have a court of ultimate appeal is not something I must look at through the eyes of the Privy Council or any other person who is occupying a position outside Canada. I am only concerned with the question of whether we are taking a step which is in the best interests of Canada, having regard to our present national and international stature. Is it best for us at this time to set up a final court of appeal in Canada to hear civil as well as criminal cases? I do not think there should be much trouble in answering that question. If in world affairs we are claiming and asserting our rights as a nation, and if we are acquiring an international status, then I say it behooves us not to place ourselves in a position similar to that which we held in an earlier period of our history, when we were a colony and inferior in status to other countries as well as to Great Britain.

Some Hon. Senators: Hear, hear.

Hon. Mr. Hayden: May I illustrate how in the course of the years the fervour for nationhood in Canada welled up to a certain point, then subsided a bit, and then came on again. If you study the history of Canada down to the time of the Statute of Westminster, you will find that we went through an evolution in the attainment of responsible government and greater power in the management of our own affairs. In 1906 we took it upon ourselves to say that the Supreme Court of Canada was the ultimate court in criminal appeals. But the Privy Council, in a decision handed down in 1926, in *Rex v. Nadon* held that we had gone too far. It held that since the British North America Act was an imperial statute, and that since there were in existence when it was passed two other imperial statutes—the Judicial Committee Act of 1833 and the Judicial Committee Act of 1844—which gave Canadians, under royal prerogative, the right to appeal to the Privy Council, the only way of excluding that right was by the passage of another imperial statute. But in the Nadon case the same result was achieved by refusal of the Privy Council to grant leave to appeal.

In 1931, under the Statute of Westminster, we took unto ourselves almost the full attributes of nationhood, but we hesitated to assert the right to amend our own constitution. In the Nadon case the Privy Council held that section 1025 of the Criminal Code was ineffective to make the Supreme Court of Canada the court of ultimate appeal in criminal cases, and at the session of 1932-1933 we repealed subsection 4 of that section, which by then had become section 1024, and immediately re-enacted it. The effect of this repeal and re-enactment was to constitute the Supreme Court of Canada, in 1933, the final court of appeal in criminal matters. But we did not take at that time the further step of abolishing the right of appeal to the Privy Council in all cases.

Then we started to lag. We went through a period when there was introduced in the House of Commons a private bill to make the Supreme Court of Canada our court of last resort. This was followed by a reference to the Supreme Court of Canada on the question whether we had the power to pass such legislation. Then we went through the period of war, when there was a welling-up of the spirit of complete independence that had necessarily developed out of the position that we assumed at the outbreak of hostilities. Finally, in 1946, the Citizenship Act was passed. We had at last reached the stage where our pride in and love of country demanded expression in a form that would show the world that we were citizens of this distinct and independent country, Canada. We are now taking the further step of abolishing all right of appeal to the Privy Council and, through the resolution which was moved here yesterday, of obtaining the power to amend our own constitution.

All these actions are natural and inevitable steps in the constitutional development of Canada. There is no turning back now. We must either abandon our nationhood or stand forth before the world as a nation free and independent, capable and sufficient unto itself to manage its own affairs, in judicial and constitutional as well as in all other matters. We must either accept the full responsibilities of nationhood or fall by the wayside and remain inferior to other nations in fact as well as in outward appearances.

It seems to me, then, that the question is simply whether we are to go forward as a nation or be bound by an adherence to the past. I agree with a remark made in 1895 by Oliver Wendell Holmes, in a speech to the Harvard Law Club:

> There is, too, a peculiar logical pleasure in making manifest the continuity between what we are doing and what has been done before. But the present has a right to govern itself so far as it can, and it ought always to be remembered that historic continuity with the past is not a duty, it is a necessity.

I submit that to the historic past we owe no tribute except such as may be induced by necessity. None can be dictated by duty, for our duty is to the present, to ourselves. We

must recognize the fact that Canada is now a nation, and aim at developing our internal structure and constitution so as to make that fact clear to the world.

Having regard to the admittedly important position that Canada today occupies in international affairs—a position that we have achieved for ourselves since confederation—it is idle for us, in the kind of world in which we now live, to make pretensions of nationhood so long as we retain some of the habiliments of a colonial and juvenile status. If we are in fact a full-fledged nation, let us get rid of those habiliments, not in a spirit of hate or destruction, but simply because they are no longer useful, necessary or desirable for us. Let us discard them at this time. Let us pay tribute, if we will, to those who helped us in the past, in the period of our growth and development, but at the same time let us remember that our duty now is to endeavour to build up Canada, so that it may become an even greater and better country than it is at present.

Some Hon. Senators: Hear, hear.

The Hon. the Speaker: Honourable senators, the question is on the motion for the second reading of Bill 2, an Act to amend the Supreme Court Act. Shall the motion carry?

Some Hon. Senators: Carried.

Hon. Mr. Aseltine: On division.

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

THIRD READING

Hon. Mr. Robertson: Honourable senators, I have an open mind as to whether this bill should be referred to a committee.

Hon. Mr. Howard: No; pass it.

Hon. Mr. Robertson: As I say, I have an open mind on the matter. It contains some clauses that honourable senators might wish to discuss in detail. I am in the hands of the house.

Hon. Mr. Haig: There is no need to send the bill to committee.

Hon. Mr. Robertson: In the circumstances, then, have I the leave of the house to move that the bill be now read the third time?

Some Hon. Senators: Yes.

Hon. Mr. Robertson: Then, with leave, I move that the bill be read the third time.

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

BRITISH NORTH AMERICA ACT AMENDMENT

ADDRESS TO HIS MAJESTY—MOTION

On the order for resuming the adjourned debate on the motion of Hon. Mr. Farris that an humble Address be presented to His Majesty, requesting an amendment to the British North America Act, 1867.

Hon. Mr. Howard: Honourable senators, this order stands in my name because I adjourned the debate yesterday to preserve the opportunity for any senator who wished to speak. I have nothing to say, and if no one else desires to speak at this time I will agree to adoption of the resolution.

Hon. Mr. Haig: Honourable senators, I move adjournment of the debate.

The motion of Hon. Mr. Haig was agreed to, and the debate was adjourned.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, November 3, 1949

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

Prayers and routine proceedings.

EXPORT AND IMPORT PERMITS BILL

REPORT OF COMMITTEE

Hon. G. P. Campbell presented and moved concurrence in the report of the Standing Committee on Banking and Commerce on Bill Z-3, an Act to amend the Export and Import Permits Act.

He said: Honourable senators, the committee have, in obedience to the order of reference of October 26, 1949, examined the said bill, and now beg leave to report the same with one amendment.

(*The amendment was then read by the Clerk Assistant.*)

1. Page 1, lines 8 and 9: Delete "thirty-first day of March, nineteen hundred and fifty-two" and substitute "thirty-first day of July, nineteen hundred and fifty-one".

The motion was agreed to.

THIRD READING

The Hon. the Speaker: When shall the bill be read the third time?

Hon. Mr. Campbell: With leave of the Senate, now.

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

HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS

MOTION

Hon. Arthur W. Roebuck moved:

That the government be requested to submit to the forthcoming Dominion-Provincial Conference on the Constitution the following draft amendment to the British North America Act:

1. The British North America Act, 1867, is hereby amended by adding thereto the following part, which shall be known as "The Canadian Bill of Human Rights and Fundamental Freedoms":

XII

148. Every person is entitled to the human rights and fundamental freedoms herein set forth, and notwithstanding anything in the British North America Act, 1867, or in any Act amending the same, it shall not be lawful for the Parliament of Canada or legislature of any province to make laws violating these rights and freedoms.

Article 1

Everyone has the right to life, liberty and the security of person.

Article 2

No one shall be held in slavery or servitude; slavery and the slave trade shall be prohibited in all their forms.

Article 3

No one shall be subjected to torture or to cruel, inhuman or degrading treatment or punishment.

Article 4

Everyone has the right to recognition throughout Canada as a person before the law.

Article 5

All are equal before the law and are entitled without any discrimination to equal protection of the law.

Article 6

Everyone has the right to an effective remedy by the competent national tribunals for acts violating the fundamental rights granted him by the constitution or by law.

Article 7

1. No person shall be subjected to arbitrary arrest, detention or exile.
2. Any person who is arrested or detained shall be promptly informed of the reasons for the arrest or detention and be entitled to a fair hearing within a reasonable time or to release.
3. No one shall be denied the right to reasonable bail without just cause.

Article 8

Every person who is deprived of his liberty by arrest or detention shall have an effective remedy in the nature of habeas corpus by which the lawfulness of his detention shall be decided speedily by a court and his release ordered if the detention is not lawful.

Article 9

Everyone is entitled in full equality to a fair and public hearing by an independent and impartial tribunal, in the determination of his rights and obligations and of any criminal charge against him.

Article 10

1. Everyone charged with a penal offence has the right to be presumed innocent until proved guilty according to law in a public trial at which he has had all the guarantees necessary for his defence.
2. No one shall be held guilty of any penal offence on account of any act or omission which did not constitute a penal offence, under national or international law, at the time when it was committed. Nor shall a heavier penalty be imposed than the one that was applicable at the time the penal offence was committed.

Article 11

No one shall be subjected to arbitrary interference with his privacy, family, home or correspondence, nor to attacks upon his honour and reputation. Everyone has the right to the protection of the law against such interference or attacks.

Article 12

Everyone legally resident in Canada has the right to freedom of movement and residence within the country, and the right to leave and return to Canada.

Article 13

1. Men and women of full age, without any limitation due to race, nationality or religion, have the right to marry and to found a family. They are entitled to equal rights as to marriage, during marriage and at its dissolution.
2. Marriages shall be entered into only with the free and full consent of the intending spouses.
3. The family is the natural and fundamental group unit of society and is entitled to protection by society and state.

Article 14

1. Everyone has the right to own property alone as well as in association with others.
2. No one shall be arbitrarily deprived of his property.

Article 15

Everyone has the right to freedom of thought, conscience and religion; this right includes freedom to change his religion or belief, and freedom, either alone or in community with others, and in public or private, to manifest his religion or belief in teaching, practice, worship and observance.

Article 16

Everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions without interference and to seek, receive and impart information and ideas through any media and regardless of frontiers.

Article 17

1. Everyone has the right to freedom of peaceful assembly and association.

2. No one may be compelled to belong to an association.

Article 18

1. Everyone has the right to take part in the government of the country, directly or through freely chosen representatives.

2. Everyone has the right of equal access to public service in the country.

3. The will of the people shall be the basis of the authority of government; this will shall be expressed in periodic and genuine elections which shall be by universal and equal suffrage and shall be held by secret vote.

149. Every person is entitled to all the rights and freedoms herein set forth without distinction of any kind such as race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status.

150. Any person whose rights or freedoms as herein set forth have been violated may apply for relief on notice of motion to the Supreme or Superior Court of the province in which the violation occurred.

151. This Part shall not be deemed to abridge or exclude any rights or freedoms to which any person is otherwise entitled.

2. This Act may be cited as the British North America Act, 1949, and the British North America Acts 1867 to 1946, and this Act, may be cited together as the British North America Acts 1867 to 1949.

He said: Honourable senators will recollect that when the honourable senator from De Salaberry (Hon. Mr. Gouin) presented to this chamber on June 26, 1948, the report of the special Joint Committee on Human Rights and Fundamental Freedoms, he laid on the table a resolution adopted by the International Commission on Human Rights at Lake Success on June 18, 1948. That document will be found recorded at page 683 of the Debates of the Senate for that year. The senator from De Salaberry will also recollect that the Lake Success resolution followed, in somewhat condensed form, the International Declaration on Human Rights adopted at Geneva on the 17th of December, 1947. Canada voted for that resolution. The draft bill, which constitutes part of the resolution I have just moved, is an adaptation of these two documents to suit the Canadian situation and the purpose in hand, and is drawn by the officers of a committee for a Bill of Rights, of which Mr. B. K. Sandwell, editor of *Saturday Night*, of Toronto is president, and Mr. Irving Himel, a well-known and active barrister of my city, is secretary. The committee's membership includes many men and women of prominence and distinction resident throughout Canada, from Vancouver to Antigonish.

I am one of the very many in Canada who advocate the principle of human rights and fundamental freedoms. I believe that everyone is entitled to live his life in his own way, to express his thoughts as he may see fit, alone or in association with others, and to be protected by the state in his personal freedom from all domination or oppression by others, including the state. And so I have readily consented to move this resolution, which I understand will also be presented to the governments—or the legislatures, if any are in session—of the provinces throughout Canada.

The joint committee of the Senate and Commons held sittings in two sessions of parliament and finally reported, in effect, that the power of the Dominion Parliament to enact such a statute is disputed, and, accordingly, the committee did nothing and accomplished nothing. I expressed my disappointment at that time in unmistakable terms. The reason for inaction given by the committee was the difficulty inherent in the federal system of divided jurisdiction. The difficulties are admitted, though a very large field for the enactment of such legislation is reserved to the Dominion Parliament. It may be conceded, however, that no truly comprehensive bill of rights, applicable under all circumstances, could be enacted by the Dominion Parliament alone without infringing the provincial jurisdiction.

Technical difficulties do exist, but in my judgment they are not a justification for total inaction. Since the member for De Salaberry (Hon. Mr. Gouin) prepared the report to which I have referred, two notable developments have taken place which make this an opportune moment for progress. First, the Dominion Parliament is about to assume the right to amend the Canadian constitution with respect to matters exclusively under dominion control; and second, on the invitation of the Prime Minister of Canada, representatives of the provincial and dominion governments will meet in conference in January next for consideration of the whole subject of the enactment of constitutional amendments. Under the circumstances, honourable senators, is it too much to ask that these spokesmen for all parliamentary jurisdictions, when assembled, consider the most vital of all subjects, the preservation of the human rights and fundamental freedoms of our people?

The Prime Minister is himself much interested in this subject. Speaking in Montreal

on October 13 last, he said that the move to transfer to Canada the right to amend the British North America Act would give a greater guarantee of provincial jurisdiction and minority rights than ever before.

Minority rights are human rights, and the only legislative guarantee of fundamental freedom which Canadians now possess is to be found in the British North America Act. The right to use the English and the French languages is preserved by section 133; the right to separate schools, by section 93; that sessions of parliament shall be held annually, by section 20; that there shall be a new parliament every five years, by section 50; the right to representation by population, by section 51; and to an independent judiciary, by section 99. These are among the most important of our freedoms; and the addition of the matters mentioned in my resolution, to the human rights and fundamental freedoms already guaranteed by the sections to which I have referred would not change the basic character of the act, but would greatly enhance its usefulness.

The present, while amendments to the Act are in contemplation and a dominion-provincial conference on the subject is pending, would seem to be a most opportune time for an effort by the Senate of Canada to make progress in this important field.

That a bill of rights in Canada is desirable, goes almost without saying. I refrain from an enumeration of occasions when the elementary rights of individuals and classes have been violated, lest I divert attention from the subject in hand by a seeming criticism of the persons concerned. But each honourable senator has at least one such instance in his mind. I agree with the joint committee of the Senate and House of Commons, that "Canadians enjoy a large measure of civil rights and liberties." I think that Canada today is the freest nation upon the earth, and in that I do not except either the United States or Great Britain. I do not believe, however, that we have reached perfection, or anything like it. I also agree with the joint committee in its statement that these rights and liberties "must be maintained", and I might add that they must be extended. I am not prepared to concede that our freedom is out of danger. We Canadians have been so used to accepting our freedoms as a matter of course, that sometimes we are in danger of forgetting the old saying that eternal vigilance is the price of liberty.

The present generation of Canadians have been through two great wars, periods of stress and crisis in which the safety of the nation overshadowed for the moment the rights of the individual, and in which our organization for total war necessitated an economic planning and control to an extent previously unknown. The danger now is that these encroachments on individual rights may become permanent. Canada has been reasonably free from witch-hunts by the majority, directed against those holding unorthodox views, and against racial or national minority groups. There are, however, incidents which I could mention, and which sound a warning. A bill of rights may well ward off the dangers which I see before us, and all around us. It may directly prevent violations of right, by court action; and indirectly, by its declaration of what is expected in this land of freedom, it may obviate even the attempt at violation. The special Joint Committee reported that:

> Respect for and observance of these rights and freedoms depends in the last analysis upon the convictions, character and spirit of the people.

With that, of course, I thoroughly agree.

An informed and vigilant public opinion is a major factor in preserving freedom. But public opinion, honourable senators, is a matter of education. Can one measure the educational value, to this end, of a Bill of Rights as part of our constitution ever declaring in authoritative tones the high standard of Canadian freedom? We have recently defined Canadian citizenship. In the coming decades, in all probability, thousands of immigrants will be added to our population. One can imagine how the children of these people will learn in our schools the significance of Canadian citizenship, and will experience its sense of security, together with an understanding pride in our free institutions, provided only that we have the vision to declare these noble conceptions to be part of our fundamental law.

I shall not attempt to discuss the many items contained in this draft bill. If I did so, my speech could not be compressed into one day. I did not write the bill. It was drawn by the statesmen of many countries; it is the product of much thought and discussion at the United Nations; and it was further considered and revised with a view to Canadian conditions by the Canadian Committee for a Bill of Rights. I have accepted the text as the most authoritative available, and all that I ask is that the measure which I have proposed as a basis of discussion be given, at least, consideration.

It will be observed that the Canadian Committee has not included in the proposed Act any reference to economic rights and freedoms, such as the "right to work", which involves the right of access to the gifts of nature, and without which all other rights are illusory. I think I should make some reference to the right to trade and to unhampered exchange. The fact that these and other

rights which are purely economic are not included in this bill is no indication that those who are fathering it regard them as unimportant. They are omitted because economic freedom of that kind is a matter for positive action by governments, and their achievement is quite different from the negative prohibitions against interference with the political and personal rights of the individual, which have been included. Thus there are two different divisions of the progess which I think we should make: one has been omitted from the bill; the other is embodied in it as fully as possible under the circumstances.

May I repeat that all I ask is that the motion be considered. I feel sure that honourable senators in view of the nature and the comprehensiveness of the subject, will not deny me that. I suggest that the resolution should be referred to a committee, say the Committee on Immigration and Labour, which is perhaps the most appropriate body for the purpose. There it can be considered, and, if this course be thought wise and meet, the substantive motion, that it be referred to the coming conference for further consideration, be concurred in.

Hon. J. J. Kinley: I rise to second the resolution proposed by the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck). I think he is to be commended for his study of this subject and for presenting it to us in concrete form. However, I do not second his resolution with a feeling of unqualified assurance, because, I must admit, my knowledge of the matter is too limited. The resolution contains eighteen distinct articles, having various meanings, and it seems to me that more thought than I have been able to give to it would be necessary before one could vote upon it. I pay tribute to the eminent source from which the resolution comes, but as a humble member of this house whose responsibility in approving or disapproving these articles rests within himself alone, I should like to have additional information. There are some articles about which I am enthusiastic, and others about which I am not so sure. For this reason I think the proper way to deal with the resolution is to follow the suggestion of the honourable senator from Toronto-Trinity, and refer the subject matter to committee for study.

A Canadian bill of rights is something which has been discussed in the other place as well as throughout the country. The honourable senator from Toronto-Trinity has said that Canada is the freest country in the world, bar none, and I agree with his statement. The inspiring national anthem of our American neighbours ends with the note that theirs is "the land of the free and the home of the brave". With this we would agree, but at the same time I am sure we sometimes feel that their constitution is rather rigid and that we possess freedoms, through our flexibility, which they do not have.

The resolution, in substance, comes from the League of Nations, and is therefore an agreement of many countries. That being so, there may be an element of compromise: it may be that if Canadians are the freest people in the world we would be surrendering something by adopting all the articles of this resolution. By adopting a bill of rights specifically defining our freedoms, we might be restricting rather than advancing the objectives we have in view.

I have been reading a book entitled *British North America Acts and Selected Statutes, 1867-1948,* at the beginning of which there is a note which reads, in part, as follows:

> This is a new edition of the "British North America Acts and Amendments" published by the King's Printer in 1943.
>
> All this material has been brought together, selected and annotated by Dr. Maurice Ollivier, K.C., F.R.S.C., Joint Law Clerk of the House of Commons, for the convenience of parliamentarians, civil servants, and more specially for the benefit of students of the Canadian constitution.

I now read from page 29, where it says:

> Here we might ask ourselves what is a constitution and we will find that it is the fundamental law of a state directing the principles upon which the government is founded and regulating the exercise of the sovereign powers, directing to what bodies and persons those powers shall be confided and the manner of their exercise.
>
> Amongst the distinctions to be established in constitutions we should mention that of—written and unwritten constitutions. These words however should not be taken too literally as in a country which is governed by a written constitution much of the constitutional or fundamental law is unwritten and is to be found outside the written document called: "The Constitution" for instance amongst the constitutional conventions which have really the force of law. On the other hand a country has an unwritten constitution when the constitution is not contained in a single and overriding document, which does not mean, however, that no part of this constitution is written. In countries like England for instance it has been said that the country did not have a constitution because it could not produce a written document called the Constitution; "however there is no doubt that there exists an English constitution, which any student of history may recognize and admire, composed of a limited number of conceptions and privileges granted by the kings of the earlier periods of certain great leading principles admitted at different times and transmitted from generation to generation, imperishably recorded in Magna Carta and in the Petition of Right, the Bill of Rights, the Act of Settlement and many other statutes. It is composed also of traditions, customs and constitutional conventions. It means freedom to think, to live, to worship and to work out our destiny as men and women who have a great mission and a great responsibility and obligation." The English constitution is part of our own from the very preamble of the B.N.A. Act where it is stated that the provinces have expressed the desire to be federally united with a constitution similar in principle to that of the United Kingdom.

Section 129 of the British North America Act refers more definitely than that to certain provinces in Canada. I believe that the constitution of this country should not be lightly framed or lightly changed. I have no doubt that those who will be responsible for the framing and changing of the Canadian constitution will ensure that it possesses a high degree of stability. It must be realized that the items in this resolution refer largely to matters of property and civil rights, which properly belong to the provinces. This resolution deals with an important matter, and in view of approaching events, of which we shall need special knowledge, I think it proper that it should have been placed before the Senate at this time. So, with the reservations I have outlined, I have pleasure in seconding the resolution, and I hope that it will be referred to the appropriate Senate committee.

On motion of Hon. Mr. Beaubien the debate was adjourned.

BANKRUPTCY BILL

REPORTS OF COMMITTEE

The Senate proceeded to the consideration of the amendments made by the Standing Committee on Banking and Commerce on Bill F, an Act respecting Bankruptcy.

Hon. A. B. Copp: Honourable senators, in the absence of the chairman of the Banking and Commerce Committee (Hon. Mr. Farris), I move concurrence in the amendments made by the committee to Bill F, an Act respecting bankruptcy.

The motion was agreed to.

THIRD READING

The Hon. the Speaker: Honourable senators, when shall the bill, as amended, 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.

BRITISH NORTH AMERICA ACT AMENDMENT

ADDRESS TO HIS MAJESTY—MOTION

On the order for resuming the adjourned debate on the motion of Hon. Mr. Farris, that an humble Address be presented to His Majesty, requesting an amendment to the British North America Act, 1867.

Hon. Mr. Haig: Honourable senators, I had hoped to be able to speak this afternoon, but I have had so much work to do that I am not ready to go on. If any other senator wishes to continue the debate now, I am quite willing that he do so, and I will avail myself, not of the rule, but of the practice that would permit me to adjourn the debate further. I do not want to prevent anyone from going ahead at this time.

Hon. Mr. Copp: I had hoped, as my honourable friend opposite did, that we should be able to proceed with the debate on this important resolution today. I understand that other senators wish to speak. It is desirable to have the resolution passed this afternoon, if possible, in order that we may adjourn over to next week. I fear that if the debate is not concluded today we shall have to sit again tomorrow. Any other honourable senator who is planning to participate in the debate may speak now.

Hon. Mr. Lambert: Honourable senators, I had hoped to be able to add a word or two to the valuable contributions that have already been made to this debate, but I must say that my thoughts on the matter have not yet been crystallized, and I am not yet sure just what the scope of my remarks should be. In the circumstances I would prefer to be allowed a little more time to prepare what I have to say. I had understood that it was desirable to have the motion adopted in time to be sent to England early next week. If the honourable leader of the opposition (Hon. Mr. Haig) would care to speak now, I will gladly give way, for the reasons stated.

Hon. Mr. Haig: I have asked the house to permit me to adjourn the debate, and it is up to the house to grant or refuse my request. So as to place myself quite in order, I now move, seconded by the honourable senator from Rosetown (Hon. Mr. Aseltine), that the debate be adjourned.

Hon. Mr. Copp: Honourable senators, I regret very much to have to say that I cannot fully co-operate with my friend in his motion. The senator from Ottawa (Hon. Mr. Lambert) was right in saying that it is desired to have the resolution sent to England next week. I find myself sitting between two stools, as it were. My leader (Hon. Mr. Robertson), who is unavoidably absent, told me he was anxious to have the resolution put through today. It has been widely discussed in the other house and in the press, and we should like to have the Senate's debate concluded this week, if at all possible. In the circumstances, unless some other senator is ready to proceed, I unfortunately have to oppose my honourable friend's motion.

Hon. Mr. Haig: I cannot help that.

The Hon. the Speaker: Honourable senators, the question is on the motion of the Honourable Senator Haig, seconded by the Honourable Senator Aseltine, that the debate be adjourned. Is it your pleasure to concur in the motion?

Hon. Mr. Haig: Carried.

Hon. Mr. Copp: The motion is lost.

Hon. Mr. Haig: Mr. Speaker, I will ask for a division of the house.

Hon. Mr. Campbell: Honourable senators, I should like to be clear on one point—whether or not any other senator is prepared to speak this afternoon.

Hon. Mr. Haig: I offered to make way for anyone who wished to speak.

Hon. Mr. Campbell: Judging from remarks that were made, I should gather that one or two other senators are ready to proceed.

Hon. Mr. Haig: If anyone wishes to speak this afternoon, I will withdraw my motion, provided the house gives me the right to adjourn the debate later. I say to the acting leader (Hon. Mr. Copp) that he can refuse me the adjournment, if he wishes, but there are always two sides to everything. Quite a number of measures remain to be dealt with this session, and I say quite candidly that if this adjournment is refused me I will exercise my rights to see that the rules are strictly enforced from now until prorogation. The only way I could be beaten on that would be by amending the rules. I have co-operated as well as I could during the last six sessions, and have never asked for any favour until now. I would not have requested this one, but for the fact that I have been very busy on committee work—dealing with the Bankruptcy Bill among other things. Because of carrying a heavy load I have not had enough time to prepare the remarks that I should like to make on the resolution. If the house will allow me to adjourn the debate, we should still have plenty of time to carry the resolution by Wednesday of next week, which will be early enough.

Hon. Mr. Beaubien: Will the leader of the opposition (Hon. Mr. Haig) withdraw his motion? The senator from Churchill (Hon. Mr. Crerar) wishes to speak.

Hon. Mr. Haig: I will withdraw my motion and move it again later.

Hon. T. A. Crerar: Honourable senators, now that this little storm has vanished into thin air, I rise to make a few observations on the very important resolution that is before the house. Probably no event in our whole history has carried deeper significance for this young nation than the Act we shall be performing in passing this Address. Let no one for a moment imagine that I am opposed to the motion. If I had any criticism, it would be that of the honourable senator from Toronto (Hon. Mr. Hayden), as stated in his excellent address yesterday, that the action we are about to take might well have been taken at a considerably earlier period.

At this time I trust it may be interesting to my colleagues to traverse a little history. The first successful effort to achieve responsible government in what is now Canada was made more than one hundred years ago, in the province of Nova Scotia. Anyone who is interested in the historical evolution through which we have reached the point where we are today could well read the speech that Joseph Howe delivered in his own defence, when he was charged by the public authorities with advocating dangerous doctrines in his newspaper.

Hon. Mr. David: Hear, hear.

Hon. Mr. Crerar: His acquittal set responsible government on its way in Nova Scotia. There were other notable evolutionary steps, but I shall not refer to any of them in detail. One was the Rebellion of 1837. Now, while that contest had different aspects, it was essentially a contest to enlarge the freedom of self government in what was then known as Upper and Lower Canada.

Hon. Mr. David: No doubt about it.

Hon. Mr. Crerar: Another very interesting event occurred in 1859, when Sir Alexander Galt was Finance Minister of what was then Canada. As honourable senators know, after the negotiations subsequent to the Rebellion of 1837 the provinces of Ontario and Quebec were united into the province of Canada. The historical record indicates pretty clearly that the British government of that day was very reluctant to surrender certain rights or privileges to the then Canadian Government, of which, by the way, Sir John A. Macdonald was Prime Minister. This contest, which was over the right of the Canadian Government to levy customs tariffs, took a peculiar form. Following the establishment of free trade in Great Britain, the government of that country sought to impose upon Canada the condition that she must not impede imports to or exports from Canada. Struggling young Canada, on the other hand, needed revenues to carry on the business of a rapidly developing country. As a confirmed believer in the abolition of tariffs, I must confess to a measure of sympathy with the views then expressed by the government of the United Kingdom. However, it was on this issue that the Canadian Government finally established the right to govern its own affairs in the matter of fiscal policy and trade. If anyone

is interested in pursuing the subject further, in a book entitled *The Life of Sir Alexander Galt,* by the late O. D. Skelton, he will find at page 330, a letter which was the basis for establishing that right, following which interference in these matters by Great Britain ceased.

We now come to confederation, which formed the basis of Canada as we have it today. When we consider the conditions which existed in this country at that time, it becomes obvious that confederation was a tremendous achievement. Behind the desire for confederation of the Canadian provinces were two impelling forces. First, the United States had just fought a civil war in which, curiously enough, the primary issue was not, as most people think, the abolition of slavery, but the question of state rights. During this conflict much anti-British feeling developed in the northern states of the American union; the sense of possible danger, and the need to provide against it, so far as that could be accomplished, was one impelling force behind the desire for confederation. The second impelling force was the difference which arose in Canada between Quebec and Ontario. The population of Ontario was increasing rapidly, and the public men from that part of Canada wanted a stronger representation in parliament as it then existed.

Confederation was achieved, and I repeat that it was a remarkable accomplishment.

We come later in history to Sir Wilfrid Laurier, who, I think, made a notable contribution to Canada's advance towards nationhood. Those whose memories go back fifty years will recall a very definite movement in Britain—not by the government, but by people outside the government, known as "the Round Table Group"— with a view to establishing a common voice in international affairs so far as Great Britain and the dominions were concerned. I think Sir Wilfrid exercised sound judgment at that time in refusing to be taken in by that camp. He made a great contribution towards advancing the unity of Canada by giving Canadians from the Atlantic to the Pacific a pride in their country. As honourable senators know, he preached the gospel that the racial and religious conflicts, in the past, as in the future, should not submerge the great advance that could be made to Canadian nationhood.

Sir Robert Borden also made some notable contributions to the growth of Canadian nationhood, the most outstanding of which was his insistence that Canada be represented in her own right at the signing of the Peace Treaty of Versailles. The events of that day are now more than thirty years past, but I well recall the night when the decision was reached—and my honourable friend from Saltcoats (Hon. Mr. Calder) will also remember it—that if Canada was not to be represented in her own right by her own delegates, free from any others, she would not be represented at all.

Some Hon. Senators: Hear, hear.

Hon. Mr. Crerar: It is not going beyond the facts of history to say that at that time the British government put forth the suggestion that Canada should be represented in the delegation of Great Britain. Sir Robert's insistence on independent representation at the signing of the peace treaty marked a long step in the advance of Canada towards the status of nationhood.

We come next to the conference of 1926, referred to by my honourable friend from Toronto (Hon. Mr. Hayden), and which I need not labour. That conference established a basis, later incorporated in the Act of Westminster, which to all intents and purposes gave this country practically complete independence.

An event which took place prior to 1926, and which perhaps should be referred to, was the negotiation in 1923 under the King administration of that day, of the Halibut Treaty between Canada and the United States. That was the first treaty negotiated by Canada which her representatives signed, and signed alone, as plenipotentiaries from the Canadian government.

I mention these matters, honourable senators, because I think it is well to keep them in our minds. It is well that we look back with pride to the great work of the Fathers of Confederation, and to the creation of a Canadian constitution. It is our serious responsibility to carry forward that conception in the best and most effective way possible.

When I first entered public life over thirty years ago, a gentleman for whom I had very high respect and who had been eminent both in public life and on the bench, presented me with a copy of the British North America Act and amendments up to that time. I recall very well the statement he made to me at the time: that this was a document which should be studied by every man in public life, because there could be no greater danger to the unity of Canada than a conflict between the federal authorities and the provinces. I was very much influenced by that statement.

I do not hold with the compact theory of confederation. The answer to that theory was very forcefully and effectively presented by the honourable senator from Vancouver South (Hon. Mr. Farris), the honourable senator from Toronto (Hon. Mr. Hayden), and the honourable senator from De Salaberry (Hon. Mr. Gouin). That theory is an

impossible one. Some may call confederation a pact; some may say it is an agreement. I would liken it to marriage, which is intended to be permanent and enduring. At the same time I hold the view that we must be careful not to weaken the authority of the provinces. After all, they have very grave responsibilities. Theirs is the obligation to look after the matters of education and of property and civil rights; it is their duty to administer justice within their respective areas. These are great tasks in any nation. The Fathers of Confederation were wise when they decided upon a federal jurisdiction rather than the centralization of all legislative powers in Ottawa. By no other means could they have resolved the conflicts which then existed and which it was sought, through confederation, to cure. Another reason why complete centralization would not have been wise is that this is a country of vast extent. You cannot govern from Ottawa, in local matters, people who are thousands of miles away, whether in British Columbia, Nova Scotia or Newfoundland. The provinces have distinct responsibilities in a federal system, and I think it would be a great mistake to try in any way to weaken their powers within their own jurisdiction.

I do not share the fears which some have expressed that the proposed legislation will open the way to a weakening of provincial responsibilities. But it is incumbent upon parliament to exercise its powers with great prudence,—for instance, in the matter of declaring works to be for the "general advantage of Canada." A few years ago, in a measure then before us, grist mills in the provinces of the West were defined as "works for the general advantage of Canada." If parliament can do that, is it not open to the federal authority to make the same declaration with regard to oil filling stations, and might it not be possible in that way to limit or lessen the authority and power of the provinces in matters over which the constitution gives them exclusive jurisdiction? I mention that point in passing, not because it has any particular relation to the motion before us, but to emphasize my opinion that a heavy responsibility rests upon the federal parliament not to limit by any means, direct or indirect, the powers of the provinces.

It would be most unfortunate were any conflict to arise or intensify between the two authorities. In matters of this kind our public men must be patriots before they are politicians. The public man, whether in federal or provincial life, who approaches these problems otherwise than with a desire to do what is best for our country is unworthy to wear the mantle of the Fathers who, in spite of great difficulties in their day, laid wisely and well a constitution under which Canada within eighty-two years has marched forward to a place among the leading nations of the world.

I have confidence that our public men will be equal to their responsibilities. If we approach these vital matters—which will profoundly affect the well-being of Canadians yet unborn—in a spirit of partisanship and with a disposition to seek political advantage, whether here or anywhere else, we shall fall far short of what the occasion requires.

And we have reason for pride. Thinking of what Canada was eighty-two years ago and what it is today, I venture the assertion that no country in the world has shown, at any time in its history, comparable progress in a similar period of time. When confederation was achieved, what we now know as Canada was a series of scattered disconnected provinces. It took weeks to get their representatives together to discuss confederation. The population, as I recall it, was somewhere around three millions. Those were the days of the pioneers. What is the picture today? In the intervening eighty-two years we have opened up this vast dominion, increased our population to thirteen and a half millions, and developed our institutions of self-government through the federal, provincial and municipal fields. We have advanced education; we have universities and high schools all over the land. We have libraries and museums of art which, if not as far advanced as they might be, represent a definite beginning. Our material development has progressed to the point where we are the third greatest trading nation in the whole world. Is not this a record to evoke pride in every Canadian who has within him any instinct of patriotism? It is a tremendous achievement!

Looking to the future, I maintain that if we are true to our traditions, and if on vital matters of this kind we put our country's welfare before everything else, this nation will endure. The record of our past proclaims our future. We shall build on this northern half of the North American continent a nation dedicated to freedom and liberty, wherein justice and fairness will reign, and where our progress in these things will be an example and an inspiration to other nations, in a weary and distracted world.

Some Hon. Senators: Hear, hear.

Hon. Mr. Marcotte: I move the adjournment of the debate.

Hon. Mr. Copp: Honourable senators, before the motion carries, I feel that I should say a word or two. I am sorry that the leader of the opposition (Hon. Mr. Haig) has been obliged to postpone his speech. If the house

had desired to sit tomorrow and my honourable friend had wished to proceed then, we certainly would have enjoyed listening to him, and I am sure we could have made good use of the day. I regret that he thought it necessary to make certain dire threats in order to secure an adjournment of the debate. Those threats make me tremble, and in the circumstances I am agreeable to a further adjournment of the debate.

Some Hon. Senators: Oh, oh.

Hon. Mr. Haig: I think the acting leader (Hon. Mr. Copp) should thank the honourable senator from Churchill (Hon. Mr. Crerar), who so capably filled the breach.

The motion of Hon. Mr. Marcotte was agreed to, and the debate was adjourned.

PENSION FUND SOCIETIES BILL

SECOND READING

Hon. A. B. Copp (for Hon. Mr. Robertson) moved the second reading of Bill V-4, an Act to amend the Pension Fund Societies Act.

He said: Honourable senators, I understand that the leader (Hon. Mr. Robertson) has asked the honourable gentleman from Toronto-Trinity (Hon. Mr. Roebuck) to explain this bill.

Hon. Arthur W. Roebuck: Honourable senators, I must apologize for speaking twice in the same afternoon. The bill before the house is an urgent measure, which was passed in exactly the same form last year, but which died on the Order Paper of another place. As I gave a full explanation of the bill in February of 1949, I assume that I may limit my remarks at this time. If any details are desired, honourable senators will find them at page 53 of the *Debates of the Senate*, 1949.

The Pension Fund Societies Act, which has been in force some sixty-two years, was first enacted by 50-51 Victoria, Chapter 31, and assented to on June 23, 1887. It is now to be found in the Revised Statutes of Canada, 1927, Chapter 155. This legislation provides a simple procedure whereby the superior officers of a corporation legally transacting business in Canada under any Act of the Dominion of Canada, may create a body corporate, designated "a pension fund society" of the corporation, with power to create funds to provide pensions for employees incapacitated by age or infirmity, and to pay annuities to widows and children. Last February I expressed surprise that this legislation had been so little availed of in view of the simplicity of its procedure, its beneficial character, and the length of time it has been on the statute books. At that time I enumerated thirteen important corporations who had taken advantage of the machinery provided.

The bill which is now before the house, and which honourable senators passed last February, extends the benefits of the pension fund society of any corporation to the employees of the subsidiaries of that corporation. The bill was prompted by the desire of the Imperial Tobacco Company, which has had a pension fund society for many years, to include all its employees in one society—and if the bill were passed, any other corporation under similar circumstances would enjoy the same rights and powers. The Imperial Tobacco Company is a large corporation, having 8,000 employees, fifty per cent of whom are with the company's six subsidiaries. The company now wishes to extend pension fund privileges to the employees of its subsidiaries. Hitherto, in order to do that, it would have been necessary to have seven separate societies, seven annual meetings, seven minute books, and so on. Worse than that, there would have had to be seven boards of directors. It is therefore desirable that the one society should act for the main company and the subsidiaries, to which I can see no objection.

As this existing legislation is highly in the public interest, has stood the test of time and has never been abused, and as the amendment proposed by this bill is in keeping with the modern trend and the government's policy of extending highly humanitarian pension provisions to employees and their widows and children, I have no doubt that honourable senators will pass it without delay so that it will not again die on the Order Paper of another place.

Hon. Mr. Aseltine: Has any change been made to the bill as passed last year?

Hon. Mr. Roebuck: I have checked the bill and can report that no substantial change has been made.

Hon. Mr. Copp: Is there any need of sending the bill to committee?

Hon. Mr. Aseltine: If no change has been made in the bill, I do not see any need of referring it to committee.

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

DIVORCE BILLS

SECOND READINGS

Hon. Mr. Aseltine, Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill W-4, an Act for the relief of Chesna Laing Shapiro.

Bill X-4, an Act for the relief of Edith Turcotte.

Bill Y-4, an Act for the relief of Irene Brodwin Miller.

Bill Z-4, an Act for the relief of Jean Ruth Montgomery Loiselle.

Bill A-5, an Act for the relief of Joseph Charles Michel Emery.

Bill B-5, an Act for the relief of Lyla Almina Wharry Johnston.

Bill C-5, an Act for the relief of Marjorie Helen Glass Nixon.

Bill D-5, an Act for the relief of Olga Hetmanchuk Dorval.

Bill E-5, an Act for the relief of Grace Melina Cotton Crawford.

Bill F-5, an Act for the relief of Thomas Gillespie Shields.

Bill G-5, an Act for the relief of Czerna Berger Borodow.

Bill H-5, an Act for the relief of Freda Tippett Hart.

Bill I-5, an Act for the relief of Rebecca Rosa Jacobs Bershadsky.

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. Aseltine: Honourable senators, all the petitions out of which these bills arise were unopposed, and therefore it is perhaps not necessary to delay third reading. With leave of the house, I would move that they be read the third time now.

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 K-5, an Act for the relief of Etta Valerie Sherwin Sperber.

Bill L-5, an Act for the relief of Sandy Douglas Carbone.

Bill M-5, an Act for the relief of Hellen Isabel Dawson Parlee.

Bill N-5, an Act for the relief of Violet Emma Woodhall Brownridge.

Bill O-5, an Act for the relief of James Samuel Hatton.

Bill P-5, an Act for the relief of Anne Denburg Hershcovich.

Bill Q-5, an Act for the relief of Ruth Baranoff Clark.

Bill R-5, an Act for the relief of Viateur Longpré.

Bill S-5, an Act for the relief of Evalina May Carter O'Connell.

Bill T-5, an Act for the relief of Borys Zaryn.

Bill U-5, an Act for the relief of Alice Dorothy Rolison Cransky.

He said: Honourable senators, some of these bills are based on reports that have just been adopted.

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 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

Hon. Mr. Aseltine: Honourable senators, the remarks I made about the preceding list of bills apply to these. I should like to have them cleared off the Order Paper, and, with leave of the Senate, I move that they be now read the third time.

Hon. Mr. Haig: Honourable senators, may I say just a word? This morning four members of the Committee on Divorce—the senator from Queen's (Hon. Mr. Sinclair), the senator from Medicine Hat (Hon. Mr. Gershaw), the senator from St. Boniface (Hon. Mr. Howden) and I—attended a meeting of the Private Bills Committee of the House of Commons. At that meeting 82 divorce bills were concurred in, and the chairman kindly whispered to me, "Get your bills over to us as quickly as you can, while the good humour lasts." I therefore support the motion 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.

ADJOURNMENT

Hon. Mr. Copp: Honourable senators, still regretting that it will not be possible for us to have the pleasure of hearing an address by my honourable friend opposite (Hon. Mr. Haig) tomorrow, I move that when the Senate adjourns today it stand adjourned until Tuesday evening, November 8, at 8.30 o'clock.

Hon. Mr. Haig: It is getting later and later.

The motion was agreed to.

The Senate adjourned until Tuesday, November 8, at 8.30 p.m.

THE SENATE

Tuesday, November 8, 1949

The Senate met at 8.30 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. I thank you sincerely for this Address.

Alexander of Tunis

ATOMIC ENERGY COMMITTEE

INQUIRY

On the Orders of the Day:

Hon. Thomas Reid: Honourable senators, I should like to direct a question to the honourable leader of the government.

Has the government given any consideration to the appointment of senators to the Atomic Energy Committee? If not, why not?

Hon. Mr. Robertson: The honourable senator from New Westminster (Hon. Mr. Reid) did me the courtesy of advising me that he intended to ask this question tonight, and I am happy to answer him at once. When notice of the motion to appoint a Committee on Atomic Energy was given in the other place, I discussed with the government the possibility of establishing a joint committee. It was suggested to me that, everything being taken into consideration, it would be desirable to let a committee of the other house carry on for this session. It was stated that the Senate, if it saw fit to do so, could appoint an Atomic Energy Committee of its own, and that the government would be quite willing to create a joint committee next year. I have been assured that should we appoint a committee of our own, all the evidence gathered by the committee of the other place would be made available to us. I have spoken to several honourable senators about the appointment of a Senate committee this session, and they have differed as to whether or not it would be advisable. Therefore, while I am willing that a committee be appointed, I myself feel that because of the pressure of other business it might be unwise.

PENSION FUND SOCIETIES BILL

THIRD READING

Hon. Mr. Robertson moved the third reading of Bill V-4, an Act to amend the Pension Fund Societies Act.

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

NATIONAL DEFENCE BILL

SECOND READING

On the Order:

Second reading of Bill J-5, an Act respecting National Defence.

Hon. Wishart McL. Robertson (Leader of the Government) withdrew from the Senate to return accompanied by Honourable Brooke Claxton, Minister of National Defence, whom he escorted to a seat in the chamber.

The Hon. the Speaker: Honourable senators, I think it is proper and fitting that I should tender an official welcome to the Honourable Mr. Claxton, Minister of National Defence, and thank him for coming to this chamber to explain this bill.

Some Hon. Senators: Hear, hear.

Hon. Mr. Robertson moved the second reading of the bill.

Hon. Brooke Claxton (Minister of National Defence): Honourable senators, I must say that I deeply appreciate the privilege of appearing before this honourable house to discuss with you this important measure. I realize that I am the second minister to appear before you to explain legislation. My colleague, Mr. Chevrier, appeared here on the 16th of March, 1948, in consequence of the change made in your rules the year before, and since then he has appeared on another occasion. I hope that, if it is necessary, you will permit me to appear again before you.

Some Hon. Senators: Hear, hear.

Hon. Mr. Claxton: The Speech from the Throne at the opening of parliament in 1948, and again this year, announced legislation to deal comprehensively with the armed forces. The bill now before you gives effect to these announcements, and will be another step in the unification and co-ordination of all the defence forces of Canada. In this work of unification and co-ordination Canada is taking a leading place.

The bill is a large one, perhaps the bulkiest to be put before you since the session of 1934. I hope, however, that any misgivings you may have on account of its size will be overcome by the fact that here we are not only streamlining the legislation relative to

the armed forces but are reducing the number of Canadian statutes, for the 251 clauses in the bill are intended to replace 598 sections in existing legislation.

It might be useful for me to trace briefly the development of the legislation dealing with the Canadian forces. The first Militia Act of Canada was passed in 1868, the year after confederation, as Chapter 40 of the Statutes of that year. The Act has been revised on a number of occasions, but there has been very little substantial change. The present Militia Act is Chapter 132 of the Revised Statutes of 1927. The antiquity of the measure may be appreciated when I recall that, until the passing of an amendment that I introduced in 1947, the Militia Act referred to pack animals but made no mention of aircraft.

The first Naval Service Act was passed in 1910, as Chapter 43 of the Statutes of that year. It remained in substantially the same form in which it was passed until 1944, when by Chapter 23 of the Statutes of that year a completely new Act was passed. That statute introduced the Canadian Naval Disciplinary Code. This was the first Canadian code to deal with one of the three armed services, and it has been used as the basis for drafting portions of the present bill. So it will be seen that in this respect the Canadianization of our armed forces started with the Navy.

The first legislation dealing specifically with the Air Force was the Air Board Act of 1919, Chapter 11 of the statutes of that year. In the 1927 revision of the statutes the title of that Act was changed to "The Aeronautics Act."

Under the three statutes mentioned, each of the Canadian forces was administered separately. The Department of Militia and Defence dealt with the Army, the Department of Naval Service with the Navy, and the Air Board with the Air Force. In 1922 the Department of National Defence Act was passed, creating a new department to deal with the three armed forces. This Act was Chapter 34 of the statutes of 1922, and came into force by proclamation on January 1, 1923. It represented the first step towards unified administration of the forces under one minister of the Crown.

The Department of National Defence Act had been amended on four different occasions. The principal amendment, made in 1940, provided for the appointment of additional ministers of National Defence.

The experience gained during the last war showed even more strongly than before the need for more unified control and greater uniformity. Moreover, in the case of the Army and the Air Force there was no Canadian disciplinary code similar to that applying to the Navy, passed by parliament in 1944. The discipline of the Army and the Air Force was regulated by the Army Act and the Air Force Act of the United Kingdom, which were made applicable by section 69 of the Militia Act and section 11 of the Royal Canadian Air Force Act. The position and status of Canada make it desirable that there should be a Canadian disciplinary code, enacted by the Parliament of Canada, and that in the interests of unity it should be a single code, applicable to all the Canadian armed services. Accordingly, soon after becoming minister, I directed that work be commenced on the preparation of a single, all-embracing Canadian statute.

The bill now before you represents more than two years' study by officers of the Department of National Defence, the Navy, the Army and the Air Force, as well as by the Departments of Justice and Finance.

The governments of both the United Kingdom and the United States have also had under consideration a number of matters relating to the administration of service justice, with a view to bringing them more into line with present-day conditions, and affording to members of the forces who have been punished through disciplinary action, facilities for having their cases appealed or reviewed on principles similar to those prevailing under the Criminal Law.

In the United Kingdom a committee headed by the Honourable Mr. Justice Lewis studied the administration of service justice, particularly regarding appeals from courts martial. Some of the provisions of the present bill are along the lines of the recommendations made in the report of that committee, but other recommendations do not now appear to be applicable to Canadian circumstances. In the United States the Honourable James Forrestal, then Secretary of Defence—whose untimely death we all so much regret—established a committee to examine into and report upon the administration of service justice in the United States forces. Based upon the committee's report, comprehensive legislation was introduced in Congress this year.

These developments coincided with the study we were making here of much the same subjects. Accordingly, full advantage was taken to obtain all information possible from the United Kingdom and United States authorities regarding the measures they have introduced or intend to introduce. Last autumn, at my direction, the Judge Advocate-General, Brigadier R. J. Orde, C.B.E., proceeded to England and to the United States to supplement this information by personal inquiry on a number of important points.

The drafting of so entirely new and comprehensive a bill as this was an intricate and formidable task. It was undertaken by a team of service legal officers under the direct supervision of the Judge Advocate-General. This drafting team was assisted by a senior officer of each of the services who was in a position to advise authoritatively on the various service considerations which were continually arising. To all these officers and officials I express my unqualified thanks for the work they have done over the past two years.

I would point out that this undertaking represents a major development of the utmost complexity. After all, the work of the armed forces is work for our security. At the present time it involves altogether some 90,000 people in the armed forces, and in a state of war—as during the second world war—it involves the relationships of each member of those forces to his commanding officer, to the country and to the Crown, to a total number of about 1,200,000 individuals. The men and women in the services have all the kinds of human relationships that we as individual citizens have to one another, and they have added to them the particular relationship which comes from the fact that, in war or in peace, they are working full time for our security. So, in the drafting of this legislation, our knowledge gained in the first and second world wars of the kind of relationships which should exist between the members of the armed forces and the state, led us to believe that those associations could and should be improved, and that we should do something towards this all-important objective.

We must recognize that in our peacetime forces, living in camps across Canada, in communities which are isolated and far off, we have men who are doing an essential job for us, and that the conditions in which they are serving have changed out of all recognition from anything which was envisaged in 1868. Consequently we feel that the bill before you is not only important and desirable, but that it is essential in order to provide for the kind of relationship between the officers and men of the armed forces, the state, and the civilian population which the people of Canada want, and which in some small degree is a recognition of the experience and record of the Canadians who in two world wars helped to preserve the freedom of our country and restore peace to the world. It is true, I am sure, that this bill represents the sort of changes which most of our officers and men would wish to see brought about. In our presentation and in your consideration of this bill it should be borne in mind, I think, that the men of our armed forces possess not only the elements of good citizenship—this is expected of them—but the qualities of the good soldier who serves his country all the time.

So we put this bill before you, not as a mere technical measure to improve a number of things which are out of date, not as something merely designed to reduce to more measurable and manageable contents, the very complicated provisions with which the law relative to our armed forces had become encrusted, but as a recognition that the work of Canada's armed forces is in the interest of all Canada all the time, and as such is deserving of the attention of its legislators and of all its people.

As I have said, in the preparation of this bill we had the advantage of the experiences of two wars and the assistance of a number of officers—some being lawyers, some not—who worked on it for two years. I do not know how long it is since a bill of this size has come before your honourable membership, but a glance over the statutes would indicate that it is some fifteen years. We have presented the bill to you upon the instructions of the government, feeling that it contains the result of the experience and knowledge of civilians engaged in law as well as of men who have had experience in the services; and we believe that you can help to make this as fine a piece of legislation in respect of the armed forces as has been introduced in this or any other country.

Drafts of the bill have not only been continuously under consideration by officers of the department and the services, but they have been examined by officials of the Departments of Justice and Finance. Many major points arose to which consideration was given by the Chiefs of Staff and Personnel Members Committee representing the three services. Moreover, the bill was under constant examination and consideration by myself and Mr. C. M. Drury, C.B.E.,—a former Brigadier-General in the service of Canada's armed forces, and now Deputy Minister of National Defence—as well as by the parliamentary assistants—the present Solicitor General, and the former member for Shelburne-Yarmouth-Clare, Mr. Loran E. Baker, who served with distinction overseas and won the Military Cross. The extensive services and distinguished records of these three in the second world war were of the utmost value in the preparation of the bill.

In the Great War of 1914-19 I had some experience with this subject of military law. In the second World War I instructed officers and officer candidates in military law, and to help in this I prepared a booklet entitled "Military Law and Discipline for Canadian Soldiers". I have only been able to find one copy; otherwise I would circulate it among

honourable senators to indicate how far we have progressed. In my several capacities I have seen something of the way in which military law works, and because of my own experience I wanted to see it improved.

Honourable senators will therefore appreciate that my concern with this subject is not merely incidental to my office. At every stage I felt it necessary to take a personal interest, and in addition to dealing with numerous points almost day to day, I worked completely through the drafts with the legal and service experts at four different stages.

When the whole matter has been thoroughly explored and examined, the bill was considered by a special subcommittee of the Cabinet, consisting of the government leader in the Senate, the Minister of Justice, the Solicitor General and myself. On several occasions the bill was considered by the Cabinet.

The result of this work is now before this house in the form of the eleventh complete draft. Despite the effort that has gone into its preparation, I do not wish to convey the impression that we consider the bill to be perfect. The government is open to any suggestions which you may make for improvement, and I assure you that such suggestions would be warmly welcomed. We desire to get the best possible bill, and so we invite the co-operation of every member in this honourable house, as well as of those in the other place.

This bill is not just a consolidation of existing legislation; on the contrary, it is a new piece of legislation, the main objects of which may be summarized as follows:

1. To include in one statute all legislation relating to the Department of National Defence and the Canadian forces.

2. To have a single code of service discipline so that sailors, soldiers and airmen will be subject to the same law.

3. To make all legislation applicable to service personnel, Canadian legislation.

4. To obtain uniformity in the administration of service justice.

5. To provide more efficient and expeditious means for the transaction of routine business.

6. To provide a right of appeal from the findings and sentences of courts-martial.

7. To establish the position and functions of the Chiefs of Staff.

8. To abolish as obsolete, provisions for levee en masse and enrolment by ballot.

9. To abolish field general courts-martial.

10. To provide for a new trial on the discovery of new evidence.

11. To authorize using active forces to meet a national disaster, such as a flood, and to permit the use of reserve forces for these purposes.

In this connection I only have to recall to honourable senators from every part of Canada, the manner in which the armed forces came to the assistance of the people of the Fraser Valley in British Columbia a year ago.

Some Hon. Senators: Hear, hear.

Hon. Mr. Claxton: Under the existing defence legislation those operations were carried out under provisions which, to say the least, were obscure. Yet we felt it was in the interest of Canadians as a whole, as well as the people of British Columbia and the Fraser Valley, that this assistance should have been given; and so from the armed forces there was the most magnificent demonstration of co-operation. This summer my own province of Quebec had forest fires, and while they did not approach the dimensions of a national disaster, they nevertheless threatened the lives and homes of hundreds of people. Once again we turned out the active forces, and we also got the willing support of the reserve forces. I am of the opinion that these two experiences have demonstrated that there is a gap, that there should be some provision whereby the men and officers of our armed forces could be used to meet national emergencies other than war. We think that such provision should apply under certain circumstances to either the active or reserve forces, so as to justify the use of the active force and the payment of the reserve force.

Honourable senators, I should mention in particular the code of service discipline which is part of the bill. Those of you who have had army experience will recall that you were regulated by sections 4 to 44 of the Army Act of Great Britain, which was incorporated by reference into the law of Canada. When I served in 1917-19 I did not think that this was the proper way to deal with Canadians—and I have not changed my opinion since. We should have a Canadian statute dealing with Canadian soldiers and airmen, just as we have for Canadian sailors. What is more, the same statute should deal with all three forces, so that a boy who is enlisted in the Navy from a Montreal home, and happens to run counter to military rules, will only be exposed to the same kind of punishment and treatment, and will have the same possibilities of appeal as a boy in the Air Force or the Army, who enlisted from the same house, as has often been the case. We must have equal treatment for all Canadians serving in our armed forces; and it must be Canadian treatment, imposed by Canadian courts which are authorized by and working under the authority of the Canadian Parliament.

Some Hon. Senators: Hear, hear.

Hon. Mr. Claxton: In proposing all this, of course, I do not intend to reflect in any way whatsoever on anything that may have existed before, because it was by our own choice that it existed. But the time has come when we can make our own choice that it shall not exist any longer. Nevertheless, I should like to express my gratitude and, I am sure, that of my predecessors in office, to those in Britain who co-operated in making the system work as well as it did and who allowed us to use their laws. Now, let us make our laws apply to our own people by our own decision.

The bill is divided into thirteen parts. Those parts dealing with the administration of service justice cannot be made operative until the necessary rules of procedure and practice have been drafted and passed, and this cannot be done until the bill has been enacted.

For example, honourable senators, provision is made in the bill for dealing with a number of offences. We start with treason and work down to absence without leave. We have to have courts to deal with cases, and machinery for the taking of evidence. That has been done by rules of procedure set up by regulations. In this bill we provide the authority for new rules of procedure and new regulations, but until this bill is passed we cannot have the new rules of procedure and the new regulations. Still, from the service point of view, we cannot abandon the existing procedure and regulations until we have something to take their place. So we suggest, honourable senators, that you provide that parts of the bill be brought into effect by proclamation. Just as soon as we can, we shall draft the rules of procedure and the regulations, making only such changes as are necessary to bring them into line with this bill; and when that is done we shall be ready to start the new procedure going in accordance with the provisions of the bill, if it is passed.

It is necessary, I believe, that provision be made for bringing each of the parts of the bill into operation by proclamation. Some of them should be brought into effect at once, and some only after the necessary rules of procedure and regulations have been drafted.

The bill falls into three main divisions. Parts I, II and III relate generally to organization for defence. They deal with the creation of the department, and the constitutional set-up. They do not have to do with the individual officer and man serving.

In the second division, Parts IV to IX constitute a complete code of service discipline, including the provisions which are necessary to carry the code into effect.

And the third division, Parts X, XI and XII contain provisions relating generally to defence and the defence forces, which provisions do not conventiently fall within the other parts that I have mentioned.

Now, honourable senators, it obviously is not for me to suggest the procedure to be followed in your honourable house. The bill would appear to be a matter suitable for detailed study. If you should choose to have that done, there would be available and at your service officers of the Department of National Defence and officers of the armed forces. In this connection, I am glad to say that the Solicitor General has agreed to assume a major part. As Parliamentary Assistant, he had to do with the preparation of the bill, and this, together with his experience as a lawyer, his service as a member of parliament and his own record overseas as colonel in the famous Chaudiere Regiment, gives him special qualifications to be of assistance to your honourable house. In addition, I shall of course also be glad to be at any time, and in every way possible, at your service.

Honourable senators, the National Defence Bill is a further important step in co-ordinating and unifying the work and conditions of service of the Royal Canadian Navy, the Canadian Army and the Royal Canadian Air Force. It is designed to promote the economy and efficiency of administration in matters relating to all the armed forces of our country and the fair and just treatment of officers and men in the service of our country. As such, I respectfully commend it to your consideration.

Hon. Mr. Aseltine: Before the honourable minister leaves the chamber, I should like to ask a question with regard to section 251, which is under the heading "Commencement of Act." I notice from this that sections 1, 248 and 250 come into force when the Act is assented to; section 211 is to operate retroactively to the 8th December, 1947; section 249 is to operate retroactively to the 1st day of October, 1946, and the other sections come into force when proclaimed. I should be glad if the minister would give us a brief explanation of those sections which are retroactive.

Hon. Mr. Claxton: Well, sir, section 211, which is retroactive, deals with salvage. I understand that it has to do with a matter that has been under consideration for quite some time, and that arrangements have been worked out between the various interests concerned. Here we seek statutory authority to make an arrangement which is considered to be in the interest of all concerned, and therefore it is just as if this were included in a special statute. We think it is desirable that this be passed at this time.

Hon. Mr. Aseltine: Does this section ratify some things that have already been done?

Hon. Mr. Roebuck: It does not change anybodys' will, does it?

Hon. Mr. Claxton: No, sir. I do not think it represents anything that has been done. On the other hand it is in conformity with arrangements regarding salvage that have been worked out by representatives of the United Kingdom, ourselves and other parties concerned.

Hon. T. A. Crerar: Honourable senators, we are indebted to the Minister of National Defence (Hon. Mr. Claxton) for coming to us this evening and outlining the new National Defence Act, which, once it becomes law, will apply to all our armed forces. I am sure no one will disagree with the principle of the bill which we have under consideration tonight. It is an effort to bring our defence laws, so far as they relate to the management and handling of the armed forces, up to date. The need for such a measure was clearly illustrated by the reference the Minister made to the existing law which will be replaced by the new legislation. He has given us a substantial outline of the purpose of the bill.

I do not intend to discuss any of the details of the measure, but only to express my agreement with the principle it contains. I am sure that this house will take advantage of the suggestion of the Minister, that he would welcome a close examination of the bill. After the careful consideration which it has received during the past two years, I have no doubt that we will find it, on the whole, a very desirable piece of legislation to pass.

Some Hon. Senators: Hear, hear.

Hon. Mr. Lambert: Honourable senators, with reference to Part III of the bill, relating to the Defence Research Board, may I ask the Minister whether the chairman of that board is directly responsible to him, or stands in some subordinate relationship to some member of the general staff? I ask this question because the Defence Research Board is a new feature in the national defence organization in this country, and I should think that one of the particular requirements in connection with it would be a complete freedom and independence from any of the factors which sometimes apply to other branches of the armed forces.

Hon. Mr. Claxton: The chairman of the Defence Research Board reports directly to me. He is appointed by the Governor in Council. One feature in Canada which I think is unique among all the countries of which I have knowledge, is that the chairman of this board, far from being subordinate to anyone except the Minister, is given the status of a Chief of Staff. He sits as a member of the Chiefs of Staff Committee. Also, for the purpose of securing co-operation and co-ordination, the three chiefs of staff are members of the Defence Research Board. In this way we secure complete inter-relationship between the defence services and the Defence Research Board. This is important because the services must be research-minded, and also unless the board is closely related to the work of the armed forces it might become rather academic. In this field I think we have achieved a closer relationship than I know of in any other country.

I should add that in the Defence Research Board we have not only the three chiefs of staff, but also representatives of civilian industry, the universities, and the president of the National Research Council. From my experience over the past two and half years I can assure this honourable house that not only is there the closest relationship between the armed forces and the Defence Research Board—because they are members of the same team—and between the National Research Council in all its activities and the Defence Research Board—because they serve the same government—but that a close relationship is maintained with the universities and with industry. I think one will find, on comparing this organization with those that exist in other countries, that there is a closer degree of integration and a more effective responsibility in Canada than elsewhere.

Hon. Mr. Davies: May I ask the honourable Minister a question relating to section 45 of the bill, which relates to educational institutions? As I understand it, the Royal Military College has now become a college for the three services. What will be the policy of the department as to the appointment of the Commandant of the college? Will it alternate amongst the three services?

Hon. Mr. Claxton: Yes, it will alternate amongst the three services. The present Commandant of the Royal Military College at Kingston is Brigadier Agnew, who will be replaced at the end of his term by a nominee, subject to my approval, from one of the other services. Royal Roads is set up on exactly the same basis as the Royal Military College, Kingston. There for the first time an air force officer, Group Captain Millward, has replaced a naval officer, Captain Rayner, on the rotation system.

Our hope is that our cadets, going through these two service colleges, living and working together, having satisfied the same entrance requirements and doing the same training during the academic term, will get to know

each other on a first-name basis, and will remain on speaking terms when they become admirals, air-marshals and generals.

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

REFERRED TO COMMITTEE

Hon. Mr. Robertson: Honourable senators, I gave warning the other day to the Standing Committee on Banking and Commerce that, because of its excellent services and arduous work on the Bankruptcy Bill, it would be entitled to assume a greater task of considering the bill now before us.

As we have no standing committee charged with the responsibility of national defence matters, I am confident that the house will agree that this bill should be referred to the Standing Committee on Banking and Commerce, and that there it will receive the same thorough consideration given previous legislation.

I therefore move that the bill be referred to the Standing Committee on Banking and Commerce.

The motion was agreed to.

BRITISH NORTH AMERICA ACT AMENDMENT

ADDRESS TO HIS MAJESTY—MOTION

The Senate resumed from Thursday, November 3, the adjourned debate on the motion of Hon. Mr. Farris, that an humble Address be presented to His Majesty, requesting an amendment to the British North America Act, 1867.

Hon. Arthur Marcotte: Honourable senators, this matter of amending the constitution has been under discussion for many, many years. In 1935 a special committee of the House of Commons was appointed to study and report on the best method

> . . . by which the B.N.A. Act may be amended so that, while safeguarding the existing rights of racial and religious minorities and legitimate provincial claims to autonomy, the Dominion Government may be given adequate power to deal effectively with urgent economic problems which are essentially national in scope.

The evidence produced was exceedingly interesting, and it is helpful today to try to solve the same problems.

A few days ago a bill was adopted to secure for parliament the right to make the Supreme Court of Canada the last and final court of appeal in our country.

There could not be any dispute on the right of our parliament to enact such legislation. We could disagree on the opportuneness of passing that act without consulting the provinces of Canada and getting their consent to it; but the situation here is not the same. Parliament through this resolution is petitioning for a right which is not at present existing.

We can oppose the resolution on two grounds; first, that parliament is not entitled to such amendment without the consent of the provinces; second, that the moment is not propitious for such amendment of our constitution.

The honourable senator from Vancouver South (Hon. Mr. Farris), who proposed the present resolution in the place and stead of the honourable leader of the government (Hon. Mr. Robertson) made the following statement:

> Hon. Mr. Farris: My leader, who asked me to move this resolution, knows that I hesitated a long time before I agreed to do so, because I wanted to convince myself that the resolution was right. There are things which a man accused of being a partisan, as sometimes I am, may be willing to do for his party; but I cannot conceive of any senator supporting this resolution if he thinks that as a constitutional proceeding it is unsound. It would take more than mere party loyalty to induce him to do that.
>
> Some Hon. Senators: Hear, hear.
>
> Hon. Mr. Farris: For my part, I pondered this resolution a long time, until I had satisfied myself at least, that it was on a sound basis and warranted our support. I see one or two of my friends are smiling because they know what I am now saying has been expressed privately to them. I have written down what I believe to be the correct view of this question.
>
> It is not enough to say that there was not a compact. One cannot ignore the fact that most important and solemn obligations were undertaken at the time of confederation. Nor should it be forgotten that there was an obligation on the part of Canada—of each province—and of the Imperial Parliament to recognize these obligations and see that they were not violated. The authority to create the Canadian constitution of 1867 was vested exclusively in the Parliament at Westminster. Nobody, I suppose, will dispute that statement.

Now, honourable senators, even though that appeal has not been made to each of the senators, especially to those who were not spoken to privately, I would have opposed this measure, which I sincerely believe to be unsound constitutionally and most inopportune.

How easy it is to try to dispose of the issue by merely saying that the British North America Act is not a compact or a treaty or a compromise! True, it is an Imperial statute, but not an ordinary statute. It is not a statute of the Imperial Government covering some colonies, but a special statute passed to comply with the desire and wishes of certain colonies, with conditions dictated by those colonies, which ask for the solemn blessing of the only power existing at the time to make these wishes, these conditions, legal and binding.

In speaking some days ago on the other measure when it was before us, I gave you a definition of the British North America Act.

The honourable senator from Vancouver South—in more words, because he is more eloquent than I am—gives you exactly the same definition. But our understanding of the Act stops there. I will not repeat my own definition but will prove my interpretation of it with the authorities I am going to cite.

No one in this chamber will seriously deny that the legislators who made confederation possible and an actual fact were able men, and as constitutional authorities, just as good as, if not better than, the legislators of today. No one would dare to say that Sir John A. Macdonald, Sir Georges Etienne Cartier, George Brown, Taché, D'Arcy McGee and the other Fathers of Confederation did not know what they intended to do after years of consultations, meetings and discussions of the problems to be solved; or that they did not take the only steps to carry their proposals to a proper conclusion and secure the Imperial Act necessary to embody their wishes and agreements, namely the British North America Act. No one in this chamber or elsewhere will dispute that the British North America Act was the form of the contract—which could not be entered into by parties unable to contract; was the wording of a treaty—which the parties could not be members of, unless empowered by the government; was the confirmation of a compromise which could not have any weight unless confirmed by the proper confirming authority. No one would dare to argue that the Secretary of State Adderly in the House of Commons, and Lord Carnarvon in the House of Lords, did not know the nature of the statute they were presenting in their respective chambers.

If these were not facts, then the only conclusion would be that the Fathers of Confederation, the Secretary of State, and Lord Carnarvon were just misleading the people or the petitioners—that is the provinces or colonies of Canada—and were deceiving them to surrender their rights under false pretences.

Now let us see and find out the facts concerning these people.

Sir John A. Macdonald said:

> The government desired to say that they presented the scheme as a whole, and would exert all the influence they could bring to bear in the way of argument to induce the house to adopt the scheme without alteration, and for the simple reason that the scheme was one not framed by the Government of Canada or the Government of Nova Scotia, but it was in the nature of a treaty settled between different colonies, each clause of which had been fully discussed, and which had been agreed to by a system of mutual compromise.

Sir Georges Etienne Cartier, said on May 17, 1867:

> The Canadians, said the English ministers, are coming to us with a ready-made constitution, which is the result of a friendly understanding reached between them, and of a thorough discussion of their interests and their needs. They are the best judges of what they need, let us not change the agreement which they have reached, but let us sanction their confederation.
>
> Yes, that is the very spirit in which Great Britain received our request. We needed her sanction and she gave it without hesitation and without any desire to interfere in our work.

Hon. J. A. Lesage: Has it not been proven during the last discussion that some of the clauses agreed upon by the provinces or the parties to the British North America Act were changed by the British Parliament?

Hon. Mr. Marcotte: Certainly, some articles were changed, but an Act was passed which was accepted by all the provinces. You obtained an Act which was agreed upon and approved by all the provinces.

Hon. A. K. Hugessen: It was never accepted by the provinces of New Brunswick and Nova Scotia.

Hon. Mr. Marcotte: Was not the bill accepted by those provinces? How is it that they have become part of Canada?

Hon. Mr. Hugessen: Because they were created by the British North America Act.

Hon. Mr. Marcotte: Because the articles of the agreement were under the form of a bill, and the bill was accepted by the provinces which to-day are part of the Confederation, inasmuch as we now have ten provinces, including those you mention.

May I present a few further citations?

First, the Honourable D'Arcy McGee:

> We are assembled under the authority of an Imperial dispatch to Lord Mulgrave, Governor of Nova Scotia, and acting under the sanction it gives. Everything we did was done in form and with propriety, and the result of our proceedings is the document that has been submitted to the Imperial Government, as well as to this house, and which we speak of here as a treaty. . . . It is beyond your power or our power to alter it.

And Mr. Alderly:

> The house may ask what occasion there can be for our interfering in a question of this description. It will, however, I think, be manifest, upon reflection, that, as the arrangement is a matter of mutual concession on the part of the provinces, there must be some external authority to give a sanction to the compact into which they have entered. . . .
>
> If, again, federation has in this case specially been a matter of most delicate treaty and compact between the provinces, if it has been a matter of mutual concession and compromise, it is clearly necessary that there should be a third party as extra to give sanction to the treaty made between them.

Lord Carnarvon:

> The Quebec Resolutions, with some slight changes, form the basis of a measure that I have now the honour to submit to parliament. To those resolutions all the British provinces in North

America were, as I have said, consenting parties, and the measure founded upon them must be accepted as a treaty of union.

Let us now come to some authorities in the years after confederation.

Mr. Antonio Perrault:

This Imperial Act of 1867 was the last phase of a treaty, of a compact, of a contract entered into by two races, the French and the English races, two religious groups, the one Catholic, the other Protestant, both wishing that this federation should maintain a perfect equality of treatment between those two racial and religious groups.

The British North America Act is a law in this sense that it is made up of texts promulgated by the Imperial Parliament, but a law that may be enacted only to confirm an understanding, an agreement of wills between provinces and between two different racial groups.

This question is no longer discussed since the judiciary committee of the Privy Council has rendered its judgment in the case of "The Regulation and Control of Aeronautics in Canada."

Judge J. T. Loranger:

The British North America Act was not, as the constitutional Acts, that preceded it, a law enacted out of sovereign authority by England and imposing a constitution upon her colonies; it contains a mere ratification by the mother country of the pact entered into by the provinces, ratification which confirmed its provisions and made it binding by conferring upon it the authority of an Imperial Act.

Judge P. B. Mignault:

Confederation is only the legalizing of a pact entered into between four provinces . . . The provinces did exactly the same thing as tradesmen who form a partnership, they pooled part their wealth, and kept all the rest for themselves.

Mr. Ollivier:

As we will have occasion to prove later on, the B.N.A. Act is not a contract; it is a statute of the British parliament; but as it is based on an agreement, on a compromise, it partakes of that agreement and of that compromise, so that none of the privileges granted us under this law may be taken away without violating the moral law, the constitutional law and inasmuch as we are an autonomous nation, the international law. It would constitute an action similar to that of Germany tearing up the treaty which guaranteed Belgium's neutrality.

In 1935, Mr. Edwards, who was then Deputy Minister of Justice, in appearing before the Special Committee, made this statement:

In any case where the amendment would affect some matter of provincial concern, the provinces were consulted.

Following this there appear these questions and answers:

Q. Do you mean directly or indirectly?

A. In certain cases directly. But my own view is that a matter which only affects a province because it is one of the provinces of the dominion, is not a provincial concern.

Q. What I mean by that is, you have all sorts of powers under the peace, order, and good government clause. Under that it would be quite easy to develop the theory that the constitution should be amended in regard to matters which the provinces might consider as infringements upon their powers, In fact, it has happened.

A. Well, on that branch, my idea would be that the Dominion authorities would not seek an amendment of that kind without consulting the provinces in advance.

Q. At least should not.

A. I think, constitutionally, would not.

The Chairman of that committee said:

Perhaps we will have the memorandum prepared for the next day. There are two other things I will call your attention to: one is the view put forward by Professor Arthur B. Keith, in *Responsible Government and the Dominions*, page 586, in which he says:

"It was most expressly recognized in 1907 by the Imperial government that the Federal constitution is a compact which cannot be altered, save with the assent both of the dominion and the provinces."

Lord Sankey, in a Privy Council judgment, stated:

Inasmuch as the Act embodies a compromise under which the original provinces agreed to federate, it is important to keep in mind that the preservation of the rights of minorities was a condition on which such minorities entered into the federation, and the foundation upon which the whole structure was subsequently erected. The process of interpretation as the years go on ought not to be allowed to dim or to whittle down the provisions of the original contract upon which the federation was founded, nor is it legitimate that any judicial construction of the provisions of sections 91 and 92 should impose a new and different contract upon the federating bodies.

Now, honourable senators, if this Act is of the nature of a treaty, compact or compromise, how can it be amended without the consent of the parties concerned?

I wish to quote some more testimony given by Mr. Edwards:

Q. It might lend great weight, Mr. Edwards, but do you think we representatives of all the provinces in the federal arena are authorized to speak for the provinces on the question of jurisdiction?

A. Not for the provinces, no.

BY THE CHAIRMAN:

Q. Will the people of the provinces accept, in respect to matters within the legislative jurisdiction of the federal government, representation by members of the federal parliament? As I see it, they are not elected to go to Ottawa to give expressions to opinions on matters of provincial jurisdiction?

A. You could not by mere declaration transfer any power from the provinces to the Dominion.

The question arose that is so much discussed to-day, as to what was the character and nature of the federation and the so-called compact there. My view about that is that it is not necessary to decide whether the British North America Act was a compact and whether the doctrine of unanimous consent upon which it is based is of importance in determining the present question. In my view what happened in confederation was that certain peoples who had their then form of government were desirous of exchanging that form of government for another form of government, which is set out in the British North America Act; that they voluntarily—there were certain minor protests which were not recognized—they voluntarily agreed to accept the new constitution and they and the dominion are bound by the terms of that constitution as it stands today; so that when you come to face any question as to how you

are going to amend that constitution, and the amendment in prospect is one which will take away from the provinces a thing they got at confederation, you have to consult the provinces.

Mr. Cowan, member for Long Lake, Saskatchewan, said, "That is fair".

In February, 1925, the Right Honourable Arthur Meighen said:

Undoubtedly, the pact of confederation is a contract and there are rights involved therein not represented by the Parliament of Canada.

This is in line with Professor Arthur B. Keith's opinion expressed later, in 1931, that the House of Commons does not speak for the provinces.

Some doubt, as we have seen, has been created as to the power of the federal parliament in obtaining amendments to the constitution by joint resolution of both houses, in matters of provincial jurisdiction or in matters of disputed jurisdiction.

On page 17 of the minutes of the committee's proceedings the chairman called attention to a view put forward by Professor Keith, in which the latter says:

It was most expressly recognized in 1907 by the Imperial government that the Federal constitution is a compact which cannot be altered save with the assent both of the dominion and the provinces.

That was a quotation from *Responsible Government and the Dominions*, page 256.

Now may I quote from a statement by Dr. Beauchesne:

Yes, there was a compact before confederation. It was embodied in the Act, and that Act has created a situation between all the provinces.

As they all contribute to the federal revenue, they are in partnership for the management of dominion affairs, and the four original provinces do not enjoy any special privileges over the other five. As a matter of fact, they are made equal by section 146 of the British North America Act, which provides that new provinces may be admitted "subject to the provisions of this Act." These words are carefully repeated in section 2 of the Manitoba Act, in the preamble of the Order in Council admitting British Columbia to the Union, in the preamble of the Order in Council admitting Prince Edward Island, in section 3 of the Alberta Act and in section 3 of the Saskatchewan Act.

It follows that the British North America Act, as it stands today, after having been in force for many years, may be compared to the charter of a society in which the dominion and the provinces are members and none of them should be listened to by the British Parliament if it tried to alter that charter without the consent of the others.

Here are some extracts from a letter and memorandum sent by the Honourable Howard Ferguson, when Premier of Ontario, to the then Prime Minister of Canada:

On behalf of this province I desire to protest most vigorously against any steps being taken by the Dominion Government, or the Imperial Conference, to deal with the provincial treaty until the matter has been submitted to the provinces and they have had ample time to give the subject proper consideration.

To pursue the course indicated by the report of 1929 will not only greatly disturb the present harmonious operation of our constitution, but I fear may seriously disrupt the whole structure of our confederation.

The British North America Act, 1867, is usually referred to as the compact of confederation. This expression has its sanction in the fact that the Quebec resolutions, of which the Act is a transcript, were in the nature of a treaty between the provinces which originated the dominion.

At the time of confederation these provinces had before them two proposals for union of a widely different nature. There were those who considered that the most advantageous arrangement would be a legislative union under which the law-making power would be centralized in one parliament, following the British precedent up to that time. There were others who believed that the best arrangement would be a federal union, with a federal parliament charged with authority over matters of a general nature, but preserving to the provinces legislative control over local objects and the guardianship of provincial interests.

Honourable senators of Liberal leanings will certainly approve of any statement by the late Right Honourable Ernest Lapointe. I quote now from speeches made by him on February 18 and 19, 1925, to be found at page 297 to 300 and 335 to 337 of the *House of Commons Debates* of that year:

The provinces got together; they tried to effect an understanding and they effected one. In the language of Sir John A. Macdonald, the very pact of confederation bears on its face all the marks of a compromise. The provinces relinquished some of the powers which were theirs and they retained for themselves other powers. The powers which they relinquished, they relinquished subject to conditions which were put into confederation, some of those conditions being more or less important, others essential, and without such conditions confederation would not have taken place.

And again:

I ask you, my honourable friend, this question Confederation was achieved and the new Parliament was opened in 1867. Does he believe that two years afterwards, in 1869, for instance, this parliament could have fairly reasonably amended the B.N.A. Act or have asked the Imperial Parliament to amend it without the consent of the four original provinces? Could he fairly say that that could have been done two years after the opening of this parliament? If it could not be done at that time, could it be done twenty-five years afterwards, or even fifty years afterwards, without the consent of the contracting parties in the pact of confederation?

I want to convey to the house one or two points and I desire every one of my colleagues not to lose sight of this. First, the B.N.A. Act itself is not only the charter of the Dominion of Canada; it is just as much the charter of the provinces of Canada. We derive our powers from the British North America Act; so do the provinces. They have no constitution other than the B.N.A. Act; all their powers they derive from that Act. Would it then be fair for us to arrogate to ourselves the right to change the Act which is just as much the constitution of the provinces as it is our own? Second, my honourable friend speaks of protection to minorities. That is not the only thing in the B.N.A. Act in which the provinces are interested. They have all their powers which they have kept to themselves and which have been agreed by everybody to be

their powers. Have we a right to amend the constitution without their consent, in the way for instance, of taking away from them some of the powers which have been theirs since confederation.

Sir Robert Borden, then leader of the opposition, speaking in the same debate, used the following words:

I agree with what has been said by the right honourable gentleman regarding the undesirability of lightly amending the terms of our constitution, and am inclined to agree with him on the necessity of some consultation with the provinces, although of course all the provinces are represented here. But inasmuch as this is a federal compact which we are asked to vary, it is only right that each province should be consulted and its decision given, in the right of its separate entity.

I do not need to remind you that the B.N.A. Act was a product of representatives from all the provinces as such, and not as representatives to a Dominion Parliament. The government of this province is of opinion that the Dominion Parliament should not act in the matter of obtaining constitutional changes, without the sanction of the provinces to its proposals to the Imperial Parliament.

It has been said that several amendments to the British North America Act were made without reference to the provinces. That is true, but they were of a minor nature and on matters in which the provinces were not very much concerned. In 1907, on the matter of readjustment of subsidies, the provinces were consulted and, with the exception of British Columbia which finally agreed, the terms of the amendment were accepted.

Let us come now to one of the most important of the amendments secured, that concerning the Unemployment Insurance Act. As the honourable senators know, the matter was first submitted to the Supreme Court, and the majority of the court ruled that parliament had no right to pass such an Act. An appeal was taken to the Privy Council, and the judgment which followed denied parliament the right to pass such law. I wish now to cite the important part of the judgment, which appears in Votes and Proceedings of the House of Commons of Canada, Ottawa, Wednesday, February 10, 1937, at pages 117, 118 and tabled in the Senate by Senator Dandurand.

That the dominion may impose taxation for the purpose of creating a fund for special purposes and may apply that fund for making contributions in the public interest to individuals, corporations or public authorities, could not as a general proposition be denied.

But assuming that the dominion has collected by means of taxation a fund, it by no means follows that any legislation which disposes of it is necessarily within dominion competence.

It may still be legislation affecting the classes of subjects enumerated in section 92, and, if so, would be *ultra vires*. In other words, dominion legislation, even though it deals with dominion property, may yet be so framed as to invade civil rights within the Province, or encroach upon the classes of subjects which are reserved to provincial competence. It is not necessary that it should be a colourable device, or a pretence. If on the true view of the legislation it is found that in reality, in pith and substance, the legislation invades civil rights within the province or in respect of other classes of subjects otherwise encroaches upon the provincial field, the legislation will be invalid. To hold otherwise would afford the dominion an easy passage into the provincial domain.

Parliament then took the necessary steps to secure the consent of the provinces. At the time of passing the necessary resolution, the Honourable Senator Dandurand, as leader of the government in the Senate, stated that the necessary consent of the provinces had been given. I would not for a moment suggest that the honourable leader deceived the Senate; but months later, at the next session of parliament, when the correspondence between the Prime Minister of Canada and the provincial Premiers was tabled, it was seen that even if such correspondence showed some consent—and this could be denied—it was not a legal and constitutional consent at all.

Honourable senators, what constitutes consent by a province? Surely it is not a mere letter from its premier of the day, or even from his cabinet. The consent of a province means consent by at least its legislature. The premier and the members of the cabinet are only administering the affairs of the province according to the provincial laws. They have no other power. They cannot change the existing laws, and they have no power to act contrary to the provincial statutes; they cannot surrender provincial rights without securing from their legislature the power to do so. They cannot give assent to an amendment to the British North America Act which takes away something which belongs to the provinces. Yet that was done, surely in good faith, but in error.

From reading the judgment on the Unemployment Insurance case, honourable senators will conclude that the federal government had no authority to encroach on provincial rights just because it was supplying the moneys. One cannot acquire a statutory right merely by paying for it. More authority than that is needed; otherwise, think for one moment of what could be done. That was my reason, when we discussed the Family Allowance Act in 1944. At that time I said that in my opinion the Act was *ultra vires* of this parliament because, under the pretence of supplying moneys, it was invading provincial rights in practically every clause. I still hold those views.

I wish to include here a Canadian Press report of the findings of the Supreme Court of the province of Nova Scotia, which show the limitation of the exchange of rights between the dominion and the provinces:

Dominion, Provincial Powers Ruled not Exchangeable.

Halifax, June 12.—The Nova Scotia Supreme Court in a majority decision today ruled that the province cannot delegate its constitutional powers to the dominion and the dominion cannot delegate its constitutional powers to the province.

In other words, the effect of the ruling is to confirm the constitutional authority of both dominion and province. For instance, it would be unconstitutional and illegal for the dominion to accept a delegation of traditionally provincial educational powers and by the same token the province could not accept a delegation of traditionally federal bank control powers.

The division of powers as between dominion and province also covers the field of taxation and kindred matters.

The last amendment was on the Redistribution Bill, making null and void the clause of our constitution which was limiting to sixty-five the number of seats in the province of Quebec, and constituting that number the quotient for seats in the Dominion electoral districts. The provinces were not consulted before securing the amendment.

A question was put by the honourable senator from Kingston, (Hon. Mr. Davies) as reported at page 190 of the Official Report of Debates, Tuesday, November 1, 1949, as follows:

Hon. Mr. Davies: May I ask the honourable senator a question? Have the other dominions a right to amend their constitutions?

Hon. Mr. Farris: Oh, yes.

Hon. Mr. Davies: They have gone that far?

Hon. Mr. Farris: All of them. The only reason that we have not that power is that in 1931, when the Statute of Westminster was passed, this dominion was not prepared to agree on any method of amending its own constitution, and at the request of this country the power was left where it has always been. . . . It was our decision that it was preferable to leave the Act as it was until such time as Canadians were able to agree among themselves as to how they wanted the constitution amended, and as to what safeguards and restrictions should be put around it.

I wish to ask the honourable senator and the other members of the Senate to pay attention to the following. It is a citation taken from the brief submitted by Mr. Scott, Professor of Civil Law in McGill University, Montreal, when he appeared before the Special Committee in 1935. It states:

South Africa is a particularly interesting example to us, I think, bcause that dominion has a racial problem and a minority problem comparable or analogous to that in Canada; and yet, after beginning with an imperial statute in 1909 as the basis of their constitution, which contained special guarantees for minorities, special entrenched clauses, they have now re-enacted that statute as their own constitutional Act, as a statute of their own parliament, and have thus destroyed the legal basis of the safeguards for minorities which were found in the earlier Act. The South Africans now admit that the adoption by them, by their own parliament, of their own constitution, puts it into the category of an ordinary Act of parliament in so far that in future it could be changed legally by the procedure of an ordinary Act. But they have stated in the debates and discussion of that change that, where minorities are protected, they will continue to respect that protection, relying in future not on legal protection, but simply on one another.

I hope the authorities I have cited will support, in your opinion, the view I hold that this proposed power to amend our constitution cannot and should not be granted without the consent of the provinces.

I have stated that the federal members were not the proper representatives of the provinces on matters of provincial rights. But there is a body which was specially created to represent the provinces in our parliament, and it is the Senate. This was, as I tried to show you on previous occasions, the main purpose of making the Senate an independent branch of parliament. I will not repeat what I have said so often. You know your responsibilities as well as I do.

Read again what was said by the mover of this resolution, and which I have quoted. You have been listening to the address of the honourable senator from Churchill (Hon. Mr. Crerar). He hopes that there will not be abuses of this power if secured. It is a pious hope and we will pray with him that his wishes may be realized.

But, honourable senators, already encroachments have been made on provincial rights. With the increased power, the federal government may go much farther. Remember the bill passed a couple of years ago, making elevators public works. Remember the address made by the honourable senator from Vancouver South on that occasion, when he said that he hoped that his bill would not create a precedent. Think of the duplication of the power respecting taxation. Think of what can be done under the "peace, order and good government" clause. These are only indications of what can be done. We hear much about social security, of requests to the government to help. Again, if this government supplies the money for social purposes, may it not, as a consequence, encroach on provincial rights, contrary to the wording of the judgment I have cited?

Before I conclude my remarks I wish to refer for a moment to a supposition made by the honourable mover, in reference to the Senate. I was surprised when I read the address the following day to find such a statement, coming from the great lawyer he is. You know very well that the only channel to reach the English Parliament is through a joint resolution of both branches of this parliament. Following the supposition the honourable senator made, if the House of Commons would vote for the abolition of the Senate and the Senate were to refuse to accept this resolution, there would be no channel to reach the government at Westminster. There would be nothing before that government. And if, by an abuse of power,

the United Kingdom government were to pass such an amendment contrary to section 4 of the Statute of Westminster, it would mean the end of the commonwealth of dominions. Canada would not stand for such abusive methods.

No, honourable senators, this Senate is in no danger if we just carry on our work according to the best traditions of this body. We are members of a branch of parliament created to represent the provinces. Let us represent the provinces and protect their rights when they are in danger. It is the right of the provinces to be consulted on such an amendment to the constitution as is embodied in this resolution. Let us see that they are consulted. After all, a conference is to be held about two months from this date. Is this parliament in danger of losing anything if this resolution is delayed until after that conference? If there is any doubt about the power of this government to secure this amendment without the consent of the provinces, why not submit the question to our Supreme Court? The next sitting of the Supreme Court is fixed for early February 1950 three months hence. Our constitution has stood for over eighty-two years; would a delay of a few months create havoc?

May I revert to the subject of the Senate before I close this long address? I have read suggestions that the Prime Minister might appoint some Conservatives to the Senate. I have a suggestion to make. Why should not an agreement be made that at no time hereafter will the number of senators representing the opposition in this chamber be less than the present total of fifteen. This would assure to the government of the day a large majority, and a sufficient opposition, modest in numbers, though not necessarily in quality. In the event, which unfortunately must be faced, of a vacancy in the present representation of opposition senators, the leader of the opposition in the Commons would confer with the then Prime Minister and name one of his followers to be appointed to the Senate.

But do not forget, honourable senators, that at one time after confederation there were only two Liberal members in the Senate, and the Senate has survived. The Senate will continue to be the most important branch of parliament if, under the protection of our constitution, whether or not it is amended, it will simply play its role in our government.

Some Hon. Senators: Hear, hear.

Hon. P. R. DuTremblay: Honourable senators, the subject that has been discussed by the honourable senator from Ponteix (Hon. Mr. Marcotte) is of great importance to the whole of Canada as well as to the various provinces.

As honourable senators know, in 1841 there took place a union of Upper and Lower Canada, with each province having equal representation. At that time Lower Canada had a larger population than Upper Canada. Later, some difficulty was encountered in carrying on this form of government, because the leaders of the government were failing to obtain a majority. In 1848, it was declared by Lord Elgin, the Governor, that a government required the support of the majority in the House, and that was the beginning of responsible government in Canada. Some time later Upper and Lower Canada, New Brunswick and Nova Scotia decided to unite and become the Dominion of Canada. There is no doubt that the province of Quebec, where the French element predominated, knew that its representatives would be in the minority in the federal parliament.

However, confederation was put into effect by the Fathers of Confederation with a view of enlarging and benefiting Canada. They tried to formulate a policy that would meet the desired requirements, and satisfy the different elements entering confederation. They held numerous meetings and passed various resolutions which they thought should be accepted. The difficulty was to preserve the rights of the minority at the time. After the resolutions had reached England they were changed to some extent, and there was submitted to the British government a proposition that was considered to be a good one. There is no doubt that very careful attention was given to the rights of the minority in this country, and, as honourable senators are aware, the conclusion arrived at was that the best kind of government for this country was a federal system; that is, a central government and various provincial governments, each having its own rights and privileges. At the same time the use of the French language was preserved in Quebec. There is no doubt that it was understood by the Fathers of Confederation that the privileges of each province would be upheld.

To assure that the minorities would be well represented in the central government, it was decided that both French and English would be the official languages of parliament. These various suggestions were incorporated in laws passed by the British Government. The British Government made no undertaking that the law would never be changed, and we know that the federal government has on various occasions requested and obtained changes in the constitution respecting matters pertaining to the dominion. The best protection that the provinces have regarding their privileges is the assurance that they can count

on the members of both houses of parliament. Parliament will see that the understanding between the provinces at confederation will be lived up to.

As a country Canada has made certain progress, but in order to acquire greater freedom we must be the masters of our own constitution. In other words, we should not be obliged to go to another country to seek authority to alter our constitution. Great Britain has always treated Canada well, but we desire to be free among the nations of the world and to have the right to change our own constitution. The essential characteristic of a nation is freedom to change its own constitution. As the British Empire and Commonwealth developed, more and more freedom was given to each member country. We have now decided that the time has come when we should have the power to change our constitution as we wish, without being obliged to ask permission of the Imperial Government. That does not mean that when we have that power we shall no longer continue our association with the other free nations of the commonwealth. Nothing of the kind is intended.

I agree that nothing should be done which would encroach on the privileges and rights of the provinces, and I have never heard anyone suggest that anything of that kind should be done. What we are trying to do is to become as independent as possible, within the commonwealth. As I say, we want to have the right to change our constitution without seeking permission from the Imperial Government in England. The Imperial Government has treated us very well, but still it is not proper that an independent nation should have to ask permission of some government other than its own when it desires to amend its constitution.

It has always been taken for granted by the federal government in this country, regardless of what party was in power, that our parliament had the right, without consulting the provinces, to apply to the Imperial Government for a change in the constitution pertaining to the federal jurisdiction. On one occasion the provinces were consulted, when the purpose of the desired amendment was to increase the amount of yearly payments to them. But in general the federal government has not asked the provinces to approve amendments to the British North America Act. Sir John A. Macdonald and Sir George Etienne Cartier, who themselves were among the very originators of Confederation, believed that the federal parliament had the right, without reference to the provinces, to apply directly to the Imperial Government for a change in any part of the British North America Act affecting the federal jurisdiction.

I hope that when Canada is given absolute right to amend her own constitution nothing will be done to encroach upon the rights and privileges of the provinces. I do not think that anything of that kind could be done, because if at any time a province feared that any of its rights were being taken away, or threatened, it could apply to the Supreme Court of Canada for a ruling. There is to be a conference between the federal government and the provinces, and I hope that at that conference some means will be agreed upon for protecting provincial rights. After all, whenever a province has considered that its rights were in danger it has had to apply to some tribunal for protection of those rights. Is it not proper that the Supreme Court of Canada should in future be the tribunal to which the provinces may apply? It may be that the coming conference will be able to work out some procedure, satisfactory to the provinces, whereby the Supreme Court, as the final court of appeal, will give them a greater measure of protection in years to come than they have had in the past.

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, November 9, 1949

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

Prayers and routine proceedings.

BRITISH NORTH AMERICA ACT AMENDMENT

ADDRESS TO HIS MAJESTY—MOTION

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Farris, that an humble Address be presented to His Majesty, requesting an amendment to the British North America Act, 1867.

Hon. John T. Haig: Honourable senators, my first duty is to thank the house for permitting me to postpone my speech from last Thursday. I was prepared to speak on Wednesday, but I found myself too tired to enter into the debate.

I want to congratulate the member from Vancouver South (Hon. Mr. Farris) upon the splendid address he made in moving this resolution. I also offer my congratulations to the senator from Churchill (Hon. Mr. Crerar) and the senator from Ponteix (Hon. Mr. Marcotte) upon their addresses. Other speeches have been made in this debate, but these three affected me most, and that is why I mention them.

This is a great moment in our history. It is the first time since confederation that there has been any attempt to amend he method of dealing with our constitution. True, through the years some thirteen or fourteen amendments have been made to the British North America Act, some of them with the consent of the provinces and some without; but all of of these were more or less of an inconsequential nature, and in general they received almost unanimous approval. I know that everyone was not in favour of the 1946 amendment, but it largely affected only the federal parliament. The present proposal, as I say, is the first real attempt to change the way of amending our constitution.

I wish first to read a few words from a radio address made by the Right Honourable the First Minister (Right Hon. Mr. St. Laurent). On May 14, 1949, he said this:

> We Liberals also believe that a method should be worked out to amend our constitution in Canada. That won't be easy.
>
> We do not want the Canadian constitution to be too rigid, but we do want to make sure it contains the fullest safeguards of provincial rights, of the use of the two official languages, and of those other historic rights which are the sacred trust of our national partnership.

With those words I entirely agree. They state the issue. But the resolution before us does not offer a means of solving that issue; it does not carry out the promise implied in the words I have just read. In another place the First Minister was challenged to deny that we already have the power to amend our constitution, and he replied we have the power but that the people of Canada do not understand that. That was not what he said in his radio address.

A good many senators and others have stated that this resolution is a milestone on the road to Canada's independence from control by another country. The argument is that we are a great nation and that we should have the power which is sought through this resolution, the power to amend our own constitution. Yes, but the problem is how to do it. In 1931, when the Statute of Westminster was drafted, the government of that day asked the Imperial Parliament to consent to the insertion of a proviso that Canada should not have the power to amend its own constitution. That consent was given, and there was no dispute over that action.

Our constitution is roughly divided into three parts. The first deals with the rights and powers of the dominion; the second, with the rights and powers of the provinces. One portion of the Act deals partly with dominion and partly with provincial powers, I am not referring to that. The third part, which is very important, deals with education and language.

I am not one of those who say that the British North America Act was a compact, and that it cannot be amended except by getting the consent of the four original provinces. I do not think that position is legally sound. I do, however, believe that the men who brought about the British North America Act understood that its conditions would not be changed. Had they anticipated for a moment that anyone could vary its provisions, they would not have agreed to the constitution.

One has only to read the history of Upper and Lower Canada to know the attitude of the people in those provinces before confederation. I have not looked up the facts in this respect, but I think there were seven or eight governments in as many years in the two provinces. One government could not remain in power more than three or four months. This continued until conditions became impossible. The real beginning of confederation was when such dyed-in-the-wool politicians as Sir John A. Macdonald and the Honourable George Brown walked across the floor of the house and shook hands, and agreed to try to improve the situation.

Sir Georges Etienne Cartier from Quebec was just as able as any member of parliament from that province today, and he was just as keen to protect provincial rights. On the other side of the boundary, in Ontario, there were Sir John A. Macdonald, the Honourable George Brown and A. T. Galt, who were equally anxious to safeguard their provincial rights. In the Maritimes, Tupper and Tilley had the same ambitions.

The statement made by the honourable leader of the government in this house (Hon. Mr. Robertson) a few sessions ago in the debate on, I believe, Dominion Day, impressed me more than anything I have ever heard on the attitude of the Maritime provinces towards confederation. He said he could remember that in days gone by, his grandfather, on the first of July, would hang the flag at half mast. With that incident in mind, no one can make me believe that the people of that section of the country were not very keen to have the British North America Act protect their full rights and privileges.

Why did those early statesmen who met—first at Charlottetown and later at Quebec—to draw up a constitution to submit to the British Parliament, decide to make provision, for a Senate in Canada? Why did they not just ask for a House of Commons. Some may answer that it was because Great Britain had its House of Lords. But I would point out that there is one provision relating to the House of Lords which does not apply to the Senate of Canada, namely—and I would ask my newspaper friends to note this—that the constitution of the British House of Lords can be altered by swamping that house with members. That could never happen to the Senate of Canada. The government of this country today can appoint eight new senators, and that is the limit to which it can go.

It is the contention of some newspapers that the Senate is not very keen to pass this resolution requesting an amendment to the British North America Act because it might affect the position of this body. That suggestion is just tommy-rot. There is not a man or woman in this house who, as far as the position of the Senate is concerned, cares a rap whether the motion passes or not. I agree with the honourable senator from Vancouver South (Hon. Mr. Farris) that once we have the right to amend the British North America Act it will be harder to change the constitution of the Senate, because we will then control any amendment.

The day may come when there will be a socialist government in our House of Commons, as there is in Britain today. Should that happen, does anyone for a moment think that the British Parliament—having already amended the constitution of the House of Lords—would refuse to amend the constitution of the Senate? I may be a hypocrite, but I think the British Parliament would accept such a resolution if it came from a socialist government in Canada. When I read the speeches of left wing members in England, who say that they are maintaining Canada by buying her grain, I am not at all sure what the British House of Commons would do in the matter of future amendments to the Canadian constitution.

Let us see what the issue is. Macdonald and Brown, in speeches from which I can quote, if necessary, point out how this chamber was constituted. It consisted of twenty-four members from the Maritime Provinces, twenty-four from Quebec, and twenty-four from Ontario; and in 1915, witih the consent of all provinces, provision was made for twenty-four members from Western Canada. Equal allotment was made to each of these four sections of Canada. Honourable George Brown was hostile to Quebec. I make that statement with no disrespect to his memory, and I do not mean that his hostility was personal, but it is a fact of history that he was politically hostile. The people of Quebec voted against him; the people of Ontario voted for him. Yet Mr. Brown consented to this method of protecting provincial rights. Wherever, as in Britain and New Zealand, the whole country is under a single government, it is possible to swamp the second chamber with appointees favourable to the party in power. The upper chamber represents only property and individual rights. But in Canada, as Mr. Brown pointed out, the Senate represents not only property and individual rights and freedoms, but the provinces as well. If one reads the reports of the debates, and particularly the statements of Sir John A. Macdonald himself, one can come to no other conclusion than that the intention was to give the Senate a limited representation from the Maritime Provinces, from Quebec and from Ontario, with the object of protecting the rights of those provinces.

Under the circumstances our duty is plain. If we believe that the resolution proposed, whether in itself or by implication, is likely to menace provincial rights, it is our duty as senators—a duty much greater than devolves on members of the popular house—to see that those rights are protected. It is no answer to this contention to say that members of the other house are elected from Quebec, or Manitoba, or some other province. The fact is that they represent the country in a different way; they represent majorities, and majorities sometimes act tyrannically: therefore the Senate was made the protector of the provinces and provincial rights.

My objection to the amendment proposed is not based on legal grounds. I do not believe it is beyond the powers of the Dominion. I am not one of those who believe that if we pass a bill on the lines of this resolution, and parliament is vested with the right of amendment, any powers will be taken away from the provinces; in my opinion, if such a thing were attempted, the Supreme Court would prevent it. I am not trying to paint a one-sided picture; I am willing to admit all that should be admitted. But this amendment does not go to the crux of the difficulty. Last evening the honourable senator from Repentigny (Hon. Mr. DuTremblay) said that when this change has been approved we shall be entirely free from control of our constitution by Great Britain. That is not my opinion. The rights which the Fathers of Confederation tried to protect—namely those in respect of education and the use of the English and French languages—still remain within the jurisdiction of the British Parliament. We are as much tied to them as we ever were.

Now, what did the people who drafted the constitution of the United States find? They discovered that their greatest problem was how to amend that constitution. Honourable senators will recall that in 1935, before a parliamentary committee, Mr. Skelton set out the four different ways of amending the American constitution. One way is this. If two-thirds of the states request a constitutional amendment, a vote of all the states has to be taken. If three-quarters of the states voice approval, the amendment will carry. However, that method of amending their constitution has never been tried. One method that has been tried is to have both the House of Representatives and the Senate vote, by a two-thirds majority, for a constitutional amendment. When this has been done, the amendment is then submitted to the states, who must reply within seven years, and three-quarters of the states must approve the amendment in order to make it effective.

Australia has its own constitution, and the system of amending it is a little different. It can only be amended under two provisions. The first is that there must be a majority in favour of the amendment in the House of Representatives. Then the Senate must approve of the amendment, and finally it is submitted to the states. Another way is for the House of Representatives to pass an amendment, which the Senate may amend or reject. If the Senate amends it, the House of Representatives may accept that amendment or refuse to do so. If the Senate rejects the amendment, a year later the House of Representatives can pass the same amendment again, after which it is submitted to the six states of the Union, four of which must vote for it if it is to become law, and the majority of the total vote in the whole of Australia must be for the amendment.

In my opinion the bill before us is just "eyewash". It will enable some politician to get up on a backwoods platform and declare, "We have exerted our right as a great nation; we can now amend our own constitution". Well, we may be able to amend our constitution, but only with respect to some thing about which nobody gives a rap.

It has been said that the Senate is here as a protection in certain cases. But can we resist? I would say to anybody from the Maritime Provinces or Quebec that a vote in another place can swamp any action on the constitution by this house. Let us suppose that the House of Commons wants to abolish French as an official language. Let us say that the proposal is carried in the country, and a bill to effect this end is passed by the House of Commons. The Senate could refuse to pass the bill, but the government could go to the country again, and if it won, would we be able to resist? I do not think so.

Hon. Mr. MacLennan: Oh, yes.

Hon. Mr. Haig: I do not think so. It has never happened that an un-elected house has been able to resist such a thing.

This amendment does not go to the crux of the matter, which is ability to amend the constitution ourselves. The day we pass such a legislation, confederation will truly become a reality. Possibly it would require a two-thirds vote of the House of Commons and the Senate. I may be wrong, but I think the present government could get that kind of a vote now. Then it would have to get a certain vote from the provinces.

Hon. Mr. Hugessen: A popular vote?

Hon. Mr. Haig: Oh, no. I did not say that. The provinces are affected, and there would have to be some provision for amending our constitution similar to that in the United States and Australia. There would have to be some provision whereby, in addition to the popular vote, approval by a certain number of the provinces would be necessary. Two of these provinces would have to be Ontario and Quebec, because they have more than 60 per cent of the population of Canada and are represented in the House of Commons by 155 members as compared to 107 members from the other provinces.

Hon. Mr. Euler: These provinces may not always have a majority.

Hon. Mr. Haig: I wish you were right, but I think they will always have a majority of Canada's population. British Columbia and Alberta may some day have many people,

but agricultural provinces such as Manitoba and Saskatchewan will never have large populations. This is so, not because people are going elsewhere, but because of the improvement of farm machinery. For instance, when I was a boy a gang of fifteen men worked on one thresher. Today only three men are required to do the job.

Honourable senators, I do not think any provincial government would dare to suggest an amendment to the constitution. I know I should hate to be a member of a government which did. Canada now has ten provinces and if the eight smaller provinces consented to an amendment to the constitution, what would be the situation of Ontario and Quebec? I do not think that Canadians would consent to any amendment which would coerce a province into doing something that it did not want to do. Each of us has read what the Fathers of Confederation went through, and even our discussions here have taught us how important it is for future Canadians that, whatever we do with our constitution, we should not create disunity. We have great unity in Canada now.

Some Hon. Senators: Hear, hear.

Hon. Mr. Haig: It has been a growing unity. I am not going to give credit to any particular party for this, because I presume that such men as Macdonald, Laurier and Borden have all contributed their share. My honourable friend from Churchill (Hon. Mr. Crerar) made a fine reference to this the other night, and I agree with what he said.

Honourable senators, I am willing to vote for this resolution, but I do not believe it really means a thing. Canada is to hold a dominion-provincial conference in January, and I think this amendment, if approved, will do the conference a lot of harm. It has been suggested that we will not be able to get Alberta or Quebec to agree. I do not know about that. I presume that if somebody from Nova Scotia had been speaking in this chamber in 1865 he would not have agreed to all of the Quebec resolutions; and, shortly afterwards, when an election was held in Nova Scotia, Sir Charles Tupper was the only advocate of confederation elected. This was an indication that the province did not like what had been done, but it was converted later. I cannot imagine that our public men of today are any smaller than were those at the time of confederation, and I do not believe the provinces would refuse to meet the federal government in a conference called to consider the whole constitutional problem.

We are a great people, with a great country. We played an important part in the First World War and the Second World War, and our representatives are prominent in the activities of the United Nations. Our statesmen were the first to suggest an Atlantic pact; our people were the first to offer help to other nations in need. As soon as war broke out in 1914 we became one of the allies fighting Germany, and we did the same thing in 1939. The party in power at the outbreak of the First World War was not the same one that was in power when the second war broke out; but in each instance the action taken was the same, for Canadians saw clearly and at once what the issues were. We have an advantage over the Americans, in that our friendship and connections with the British and other European peoples—the French, particularly—enable us to see earlier than do our neighbours to the south just what is involved in conflicts between certain countries of the old world.

As I say, I do not believe that the government of any province would refuse to participate in a conference if one were called by the federal government with a view to working out a method whereby the dominion and provinces might carry on in harmony. I admit that it would be difficult to work out a method, but I believe that the problem should be attacked now. For a good many years there has been a steady growth in the spirit of unity among our people, and it seems to me that that fact alone would go far to ensure the success of a conference.

Somebody may say to me "Suppose your province of Manitoba was opposed to an agreement with the other governments." Well, if the proposal put forward by the other governments was reasonable, I know what would happen to any government in our province which rejected it. At the very first opportunity the people would turn the government out of office. I believe the same is true of every other province. Take Alberta. Some people suggest that that province would not be keen on joining in a general agreement with all the other provinces. Well, owing to the situation in Alberta, the provincial government there is undoubtedly a strong one, but I cannot think it would withhold its consent to a reasonable proposal. Similarly, if a draft agreement whose terms were clearly in the interest of the whole country were put squarely up to the Government of Quebec, I do not believe that government would reject it. In the discussions preceding confederation Quebec's representatives came to an understanding with delegates from the other parts of the country, and I see no reason to believe that present representatives would act in a different spirit.

I am greatly disappointed that the Prime Minister did not carry out his suggestion of calling a conference with the provinces, for I am convinced that this would have been

in the best interests of the whole country. If you split a measure into two or more parts and get one part passed separately, it becomes more difficult afterwards to get the remainder passed. Suppose there is a conference with the provinces in January, and they cannot reach an agreement. They may agree upon legislation to clarify provincial rights, but will they agree upon how the constitution may be amended? That is the underlying issue. The federal government may have no difficulty in securing approval of proposals that conform to the rights of the provinces as set out in the British North America Act and its amendments and in judicial decisions, but there will be trouble over any proposed change affecting questions of education and language, and the representation of the less populous parts of Canada in this chamber. I do not think there is any doubt about that, and I say that the whole subject should have been discussed before this in an endeavour to reach a basis of agreement satisfactory to all parties.

Honourable members, I presume that this subject will come up for consideration here as long as most of us live. The Senate has a greater responsibility to Canada than has any other legislative chamber. Its members are appointed for life. Before we come here most of us have had a good deal of experience in public affairs and in business or professional life, and we are already aware that Canada is an important country in world affairs. We realize that our people would like Canada to be recognized among other nations as a free and independent country, with power to chart its own course. Canadians do not like having to admit before the United Nations or any other international organization that our country is dependent upon Great Britain. Of course, we know that it is not, though in a legal sense Britain still has some control over our legislation. However, when making changes in this matter, let us move slowly, and be careful not to destroy the good will existing among our people. Let us be very careful lest we raise an issue that will take years and years to live down.

My memory goes back quite a long way, and I am going to make a reference to the general election of 1926. I am not mentioning this for any political reason. I think the Conservative party was very foolish in accepting the responsibility of forming a government just before that election. If the then leader of the Conservative party had declined the premiership and his predecessor in office had gone to the country, the people would have had a chance to express themselves on certain issues that, as it happened, were overshadowed. For when the Conservative leader formed a government and the Governor General granted his request for the dissolution of parliament, the then leader of the opposition contended that the granting of that request, in the circumstances, had raised a consitutional issue. The election turned on that, and the people of Canada made no mistake in the decision they gave. They showed that they wanted Canada governed in accordance with the practices established under its constitution.

Constitutional rights are dormant in this whole matter now before us. If it were only a question of dollars and cents we should have no great trouble in dealing with it. We could get over any problem caused by selling our wheat too cheaply, or our butter at too high a price. But constitutional issues are more difficult. We are naturally opposed to anything that threatens to interfere with our freedom. I am all for the right of Canada to amend its own constitution. The problem is how to devise a formula satisfactory to the federal and provincial governments for amending the constitution, and some formula is necessary in order that we may be saved the necessity of facing difficulties in future.

Hon. R. B. Horner: Honourable senators, the debates on the Supreme Court Bill and on this resolution have produced a considerable similarity of argument. In both debates we have heard a good deal from gentlemen of the legal profession, but I now make bold to utter a few remarks, for, after all, as a layman I represent a very large number of people in Canada. One thing that concerned me as I listened to the lawyers was that each of them could have taken the opposite point of view and made an equally convincing argument.

Some Hon. Senators: Oh, oh.

Hon. Mr. Horner: The senator from Queen's-Lunenburg (Hon. Mr. Kinley) gave us an interesting address, and he was all for change. I would like to remind him that not all change is progress, as the last President Roosevelt once pointed out. On one occasion some people were urging him to do a certain thing because it was new and progress. He said it might be new, but it was not progress. I enjoyed the very fine address of the senator from Churchill (Hon. Mr. Crerar), but I do not agree with what he said. And I do not agree with my own leader (Hon. Mr. Haig).

Hon. Mr. Copp: We do not blame you.

Hon. Mr. Horner: However, that is not unusual for me.

I am reminded by the honourable senator from Churchill of the prayer of the Pharisee; "I thank God that I am not as other men".

The honourable gentleman talked about our great country and the progress we have made. He pointed to the increase in the population, the wealth in the trade of Canada and so on. I would remind him that during the past ten years a great deal of our trade has come about by reason of the fact that a large part of the world was devastated by war. Under those circumstances, we have been able to dispose of large quantities of manufactured goods and food. Had Canada the right kind of—

Hon. Mr. Euler: Government?

Hon. Mr. Horner: —the right kind of statesmen, we would have a population of a hundred million today. When we speak of our progress we should remind ourselves of the plight of small islands in some parts of the world where soil has to be carried in baskets to cover the rocks.

Many years ago the three million people then in Canada had the finest heritage in the world. In those days if a person suggested that the government should keep a man's father and mother, by means of an old age pension, he would have been chased off the farm; and no one ever expected the government to help him support his children.

What was the heritage of this country? How have we handled it, or how have we given it away? Let us not forget the Ashburton Treaty, concerning the area which is now the State of Maine. Then let us ask ourselves why Alaska, at the other end of the country, is not part of Canada. That vast empire, which extends down almost to Prince Rupert, should be part of Canada. A member of the other house recently expressed our position in these words: "We have done those things which we ought not to have done, and we have left undone those things which we ought to have done".

I ask honourable senators to seriously consider what we have done in the way of building railways in Canada. We built one great road at high cost, and then proceeded to build a second paralleling the first.

Hon. Mr. Euler: May I interrupt my friend? Was the loss of Alaska or Maine attributable to the Canadian government?

Hon. Mr. Horner: Yes, it was, at least partly so.

Hon. Mr. Euler: No. It was the British government.

Hon. Mr. Horner: Well, I maintain it was partly Canada's fault.

After building two railways paralleling one another across Canada, we have left vast areas in the north country without any rail service at all. I know of one instance where the Canadian Pacific Railway was granted a charter to extend its line thirty miles north to serve a farming community where the settlers had families of as many as fourteen children. The right-of-way was surveyed years ago, but the thirty-mile extension has not yet been built.

The Peace River district, which has one of the largest coal deposits in the world, has for years been promised a railway to the Pacific coast. The old objection is that the products of that area cannot profitably be brought to Montreal or Toronto. I say honourable senators, that cities like Montreal and Toronto should be created in that district.

Sir John Boyd-Orr, a world authority on food, claims that the main cause of wars is the lack of food. Yet our government is responsible for a sitting-on-the-doorstep policy of immigration in this country, and refuses to allow large numbers of people to come to Canada.

Hon. Mr. Euler: I am not arguing that point.

Hon. Mr. Horner: But it is the fault of the government that we have not got cities like Montreal and Toronto in the vast northern part of this country. As a layman, I am not satisfied with the progress Canada has made.

The honourable lady senator from Peterborough (Hon. Mrs. Fallis) told of how five noble women from western Canada appealed from the Supreme Court ruling concerning the right of women to sit in the Senate. I do not hesitate to say that western Canada, with all its immense wealth and resources, is left without proper parliamentary representation. The people in the four western provinces agree to the principle of self-determination, and if things continue as they are, I would not be surprised to see those provinces break away from Canada. The West has no money to build railways into its northern parts, where food can be produced in abundance for the population of Canada; yet this country sees fit to bring a man from Paris to tear this city to pieces—to tear down the Union Station and the Daly building, and spend enormous sums, for what? I appeal to the government to go slowly in this project, because Ottawa may not be the capital of as large a country as it expects.

In passing I wish to mention the Hudson Bay Railway, and to remind honourable senators that the West may have to appeal for justice in that case.

A former honourable Speaker of this chamber said that honourable senators should express their own ideas, and not the thoughts of someone else contained in newspaper articles. I have taken courage from that suggestion, and am now expressing my own thoughts and not the policy of any party.

If Canada is ever to take her place as a great nation in the world, she must set about providing for those who cannot provide for themselves. The vast north country is an empire in itself, with large areas of fertile land, minerals and timber—and for fifty years there has been the promise of a railway. Some farmers in that district have to transport their grain 500 miles to the railway at Edmonton, to be shipped to the market at the west coast. This summer I visited some areas in the far north, and there met farmers who for a quarter of a century had lived seventy-five miles from a railway. I repeat that with such need in certain parts of the country, the expenditure of huge sums on this beautification scheme and the tearing down of buildings in Ottawa, where there is no possibility of growing one cabbage to feed the hungry world is one of the most ridiculous things Canada has ever undertaken. The man who engaged Mr. Greber to do this planning, for a generous remuneration, once represented in the other chamber one of the northern constituencies so much in need of rail service.

Speaking for myself only, I am against this proposal to amend our constitution. I say the country is not yet ready for it.

The motion was agreed to, on division.

DIVORCE BILLS

FIRST READINGS

Hon. W. M. Aseltine, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill V-5, an Act for the relief of Shirley Patricia Susan Oakes Rowlands.

Bill W-5, an Act for the relief of Margaret Adeline Bodley Cabana.

Bill X-5, an Act for the relief of Mary Letinetsky Nemeroff.

Bill Y-5, an Act for the relief of Norah Helen Jarrett McCaffrey.

Bill Z-5, an Act for the relief of Elizabeth Karaszi Bergeron.

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: As it is desirable that these bills go to the other chamber as quickly as possible, and as there is no real object in holding them up, I move, with the consent of the house, that they be now read the second time.

The motion was agreed to, and the bills were read the second time, on division.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, November 10, 1949

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

Prayers and routine proceedings.

THE POTTERY INDUSTRY

INQUIRY

Hon. Mr. Robertson: Honourable senators, as will have been observed from the Order Paper, some time ago the honourable gentleman from Medicine Hat (Hon. Mr. Gershaw) gave notice of an inquiry. I am now in a position to answer it. The first part of the inquiry is as follows:

Is the government aware that on account of the devaluation of the British pound, a large pottery plant in Medicine Hat has been closed down, resulting in unemployment of about 200 workers?

To this the answer is that the government has received representations regarding the anticipated effect of the devaluation of the British pound upon the pottery industry. The government has been informed that some reduction in employment has taken place recently in a plant in Medicine Hat. It is clearly too early to say how the devaluation of the pound will ultimately affect the position of the Canadian industry.

The second part of the inquiry is:

If so, are steps being taken to make it possible for the Canadian potteries to compete with the British potteries?

In view of the answer to the first part of the inquiry, the only reply I can make to this latter part is that as it is too early to determine what the ultimate effect of devaluation will be, and that no steps have been taken to enable Canadian potteries to compete with British potteries.

HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS

MOTION

The Senate resumed, from Thursday, November 3, the adjourned debate on the motion of the Honourable Senator Roebuck that the government be requested to submit to the forthcoming Dominion-Provincial Conference on the constitution a draft amendment to the British North America Act—

Hon. Wishart McL. Robertson: Honourable senators, following the presentation of this resolution by the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck), the assistant whip (Hon. Mr. Beaubien) adjourned the debate. I should now like to avail myself of the opportunity of making a few brief remarks on the subject matter of the resolution.

That the principle back of this resolution is a matter of great public interest in this and other countries, is agreed by all. The honourable senator from Toronto-Trinity pointed out that the resolution is similar to one passed by the United Nations, and that the parliament of Canada appointed a joint committee which met for two consecutive sessions and carefully considered the matter. Though I am doubtful that there is in this country any serious difference of opinion about the fundamental principles of this resolution, there may be some difference as to whether or not it is necessary or desirable to incorporate such a resolution as the one before us into our statutes or constitution. The joint committee, of which I believe twelve honourable senators were members, reported in part as follows:

Respect for and observance of these rights and freedoms depends in the last analysis upon the convictions, character and spirit of the people. There is much to be said for the view that it would be undesirable to undertake to define them before a firm public opinion has been formed as to their nature. It is not evident to your committee that such an opinion has reached an advanced stage in Canada. There is need for more public discussion before the task of defining the rights and freedoms to be safeguarded is undertaken.

The honourable senator from Toronto-Trinity has performed a public service by introducing his resolution and giving honourable senators an opportunity to discuss the matter. He has rendered a contribution particularly to that class of people whom I may call new Canadians, who perhaps are not quite as impressed as the rest of us with the principles and traditions behind our constitution, and who may wish to see some provisions written into our statutes. I therefore highly approve and commend the contribution my honourable friend has made. There are, however, one or two aspects of the question which I should like to put before honourable senators for consideration.

The resolution requests that the government submit to the forthcoming Dominion-Provincial Conference on the constitution a draft amendment to the British North America Act for the purpose of adding to the Act, part XII to be known as "The Canadian Bill of Human Rights and Fundamental Freedoms". My honourable friend pointed out that the phraseology of the resolution was not his alone, but that much of it was contained in a resolution passed by the United Nations, to which, of course, we subscribed.

I wish to draw the attention of the house to the fact that the forthcoming Dominion-Provincial Conference, commencing January

10, 1950, is being called in pursuance of the Prime Minister's letter to the premiers of the provinces, "to consider a method of amending the constitution in Canada". In accordance with that invitation the delegations of the provinces and of the dominion which attend will be prepared to discuss that question only. As the subject is a complex one, the feeling on the part of the members of the government is that other complex and controversial matters should not be introduced at that time. I think the cogency of that conclusion is self-evident; and if my honourable friend shares in this view I would like him to consider whether it would be wise to press his resolution, at least in this particular respect. As I have said, the government feels unable to introduce any new subject at the conference; and it would seem to me that if the conference is able to accomplish what it has set out to do, without attempting anything further, we may congratulate ourselves upon the progress that has been made.

The next point I want to make is this. I was not present when my honourable friend spoke on his resolution but, I note he said that he would like the house to give it consideration. I am sure the house should and will do so. He also suggested that after the resolution had been discussed here it should be sent to an appropriate committee, where evidence could be heard. Assuming that the remission of the matter to a committee is not accompanied with a specific request that it be referred by the government to the forthcoming conference, I would have no particular objection to this course if it meets with the approval of the Senate. But if the resolution were referred to a committee after a reasonable period, say a week or so, had been devoted to its discussion, the time necessarily required for organization and the summoning of witnesses would make it unlikely that the committee could hold any hearings this session. Moreover, I would point out that the activities of the Finance Committee, and the program already before the Banking and Commerce Committee, including the consideration of the National Defence Bill, when added to the other business which will come before us when the "log-jam" on the other side is broken, will involve a lot of work in the next two or three weeks.

I suggest that my honourable friend consider first, that the government feels that it cannot accede to that part of his resolution which asks it to submit this matter to the forthcoming conference; and second, that, as far as the immediate future is concerned, at least one of the members of the joint committee who would like to speak to the resolution is not yet prepared to do so. In the meantime, if no other senator is ready to speak, I shall ask the government whip to again adjourn the debate, in order to accommodate at least one honourable senator who would like to speak. I do this in the hope that others who are familiar with the subject will contribute to the discussion as it goes along.

On motion of Hon. Mr. Beaubien the debate was adjourned.

DIVORCE BILLS

THIRD READINGS

Hon. W. M. Aseltine (Chairman of the Standing Committee on Divorce, moved the third reading of the following bills:

Bill V-5, an Act for the relief of Shirley Patricia Susan Oakes Rowlands.

Bill W-5, an Act for the relief of Margaret Adeline Bodley Cabana.

Bill X-5, an Act for the relief of Mary Letinetsky Nemeroff.

Bill Y-5, an Act for the relief of Norah Helen Jarrett McCaffrey.

Bill Z-5, an Act for the relief of Elizabeth Karaszi Bergeron.

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

FIRST READINGS

Hon. Mr. Aseltine (Chairman of the Standing Committee on Divorce), presented the following bills:

Bill A-6, an Act for the relief of John Albert Roberts.

Bill B-6, an Act for the relief of Leslie Ernest Tulett.

Bill C-6, an Act for the relief of Ernest Tonegawa.

The bills were read the first time.

SECOND READINGS

Hon. Mr. Aseltine: With leave of the Senate, I move that these bills be now read the second time.

The motion was agreed to, and the bills were read the second time, on division.

BUSINESS OF THE SENATE

Hon. Mr. Robertson: Honourable senators, I move that when this house adjourns it stand adjourned until Monday, November 14, at 8.30 p.m.

The Hon. the Speaker: Honourable senators, the question is on the motion of Hon. Mr. Robertson—

Hon. Mr. Ferland: Honourable senators, I move in amendment that when this house adjourns it stand adjourned until Tuesday,

November 15, at 8.30 p.m. If we have a great deal of legislation before us, I think we should have a longer week-end in which to study it.

Hon. Mr. Robertson: Honourable senators, may I say a word in reply? I frankly admit that I have not much legislation to present to the Senate. I shall have two or three bills, none of great importance, to introduce at the first of next week. The reason I have suggested resuming on Monday night is that there is a considerable amount of work to be done in some of our committees. For instance, we have arranged a meeting of the Finance Committee for ten-thirty Tuesday morning for the consideration of a very important matter, and it is hoped to have a meeting of the Banking and Commerce Committee, after the Senate rises on Tuesday afternoon, when representatives of the Department of National Defence will be present. If we make a practice of adjourning the Senate from Thursday afternoon until Tuesday evening, there will not be enough members available on Tuesday to carry on the necessary committee work. I have always made it a point not to ask honourable members to come back here when there is nothing to do, and I have no hesitation in saying that there is important work to be done in the Finance Committee on Tuesday morning. The opinion of members of the committee is that the work should be proceeded with. I must ask that when we have work to do we come here and do it.

Some Hon. Senators: Hear, hear.

Hon. Mr. Euler: Honourable senators, with due respect to the leader of the government, I think that his statement is not logical. It is, of course, the duty of committee members to be present when their committees meet, and I am sure that a considerable number of us will be at the Finance Committee on Tuesday morning, whether or not the Senate sits on the preceding evening. For the life of me I cannot see why the fixing of a committee meeting for Tuesday morning requires a sitting of the Senate Monday evening. In order to be on time for that sitting I have to leave home Sunday night. This is not merely a personal matter, for a number of other senators are in the same position. We could remain at home until Monday night and still be in Ottawa on time for the committee meeting next morning. There will not be more than ten or fifteen minutes' work to be done in the Senate on Monday night, and I fail to see why that could not be left over until Tuesday.

The Hon. the Speaker: Honourable senators, may I remind this honourable house that a motion for adjournment is not debatable.

Hon. Mr. Euler: With respect, Mr. Speaker, I do not think we are discussing a motion for adjournment.

The Hon. the Speaker: If I remember correctly, I put the motion which was moved by Honourable Senator Robertson and seconded by Honourable Senator Copp.

Hon. Mr. Euler: I understood the motion to be that when this house adjourns today it stand adjourned till Monday evening. That, I think, is not a motion for adjournment. However, I have said what I wanted to say.

Some Hon. Senators: Oh, oh.

The Hon. the Speaker: The question, honourable senators, is on the motion of Hon. Senator Robertson, seconded by Hon. Senator Copp, that when this house adjourns today it stand adjourned until Monday, the 14th of November, at 8.30 in the evening.

Hon. Mr. Ferland: Honourable senators, I moved an amendment that the Senate adjourn until Tuesday night. That is seconded by the honourable gentleman from Thunder Bay (Hon. Mr. Paterson).

The Hon. the Speaker: Honourable senators, it is moved in amendment, by the Honourable Senator Ferland, seconded by the Honourable Senator Paterson, that when the Senate adjourns today it stand adjourned until Tuesday, November 15, at 8.30 in the evening.

Hon. Mr. Haig: Honourable senators, may I intervene for a moment at this stage? We in this house who come from the Eastern and Western provinces number 48, and our homes are too far distant for us to travel back and forth over the week-ends. So when the Senate adjourns on Thursday afternoon we have to stay here and wait till it meets again, which is often not until Tuesday. That gets to be a little tiresome, but we always are asked to consider the convenience of members from the two central provinces. The senator from Waterloo (Hon. Mr. Euler) says that in order to be here Monday evening he must leave his home the night before. Well, if he wishes to be absent on Monday evening he may, for every senator is allowed fifteen days' absence during a session. Senators who live in the Montreal district do not have to leave home until about 4.30 Monday afternoon in order to arrive in time for a sitting at 8.30. Perhaps if I lived in Montreal or Toronto I would strongly support the amendment, but as it is, I feel that some consideration should be shown once in a while for senators whose homes are in the East and the West, and who have to stay here day after day, week after week, as long as the session lasts.

Hon. Mr. Euler: I certainly would be in favour of coming back Monday night if there was any real work to be done. The point is that we do not do anything on Monday.

Hon. Mr. Haig: Quite a few of us do work on the Divorce Committee, which has been meeting four days a week—Monday, Tuesday, Friday and Saturday.

Hon. Mr. Moraud: But practically no work is done at Monday night sittings, which usually last for only a few minutes.

Hon. Mr. Haig: Whether the Senate sits on Monday evening for five minutes or half an hour, the fact is that unless it does meet Monday some of our distinguished friends from the provinces of Quebec and Ontario will not he here in time for committee meetings on Tuesday morning. They are recognized as men of great ability and we certainly need their assistance. I should be loath to see anything happen that would deprive us of that.

The Hon. the Speaker: The question, honourable senators, is on the amendment moved by the Honourable Senator Ferland, seconded by the Honourable Senator Paterson, that when this house adjourns today it stand adjourned until Tuesday, November 15, at 8.30 p.m.

Hon. Mr. Sinclair: A point of order, Mr. Speaker. The amendment was discussed before there was a seconder, and I think it is out of order to put the amendment now.

The Hon. the Speaker: I feel that the house would prefer to vote upon the amendment.

Hon. Mr. Sinclair: What is the decision on the point of order, Mr. Speaker?

The Hon. the Speaker: My decision is that the point of order is not well taken. I had not concluded my remarks when the honourable senator from Shawinigan (Hon. Mr. Ferland) rose to speak. The question is on the amendment moved by the Honourable Senator Ferland, seconded by the Honourable Senator Paterson, that when this house adjourns today it stand adjourned until Tuesday evening, November 15, at 8.30.

Some Hon. Senators: Carried.

Some Hon. Senators: No.

The Hon. the Speaker: Those in favour of the amendment, please say "Content".

Some Hon. Senators: Content.

The Hon. the Speaker: Those opposed to the amendment, please say "Non Content".

Some Hon. Senators: Non Content.

The Hon. the Speaker: In my opinion, the amendment is defeated.

The question is now on the motion of Hon. Mr. Robertson, seconded by Hon. Mr. Copp, that when the house adjourns today it stand adjourned until Monday, November 14. at 8.30 p.m.

The motion was agreed to.

THE SENATE AND MONEY BILLS

1918 REPORT OF SPECIAL COMMITTEE

On the motion to adjourn:

Hon. Mr. Haig: Honourable senators, I have in my hand a copy of the report of the Special Senate Committee of 1918, appointed to determine the rights of the Senate in matters of financial legislation. This report contains the views of such prominent constitutional authorities as the late Eugene Lafleur, K.C., the late Aimé Geoffrion, K.C., and the late John S. Ewart, K.C.

I am sure that this report would be helpful to honourable senators when discussing constitutional amendments in the next few years. As it is not a lengthy document, I would ask, with leave of the Senate, that it be reproduced as an appendix to today's *Hansard*.

The Hon. the Speaker: I would inform the honourable leader of the opposition (Hon. Mr. Haig) that a reprint of this report has been ordered, and copies will be distributed at a later date.

Hon. Mr. Haig: Thank you.

The Senate adjourned until Monday, November 14, at 8.30 p.m.

THE SENATE

Monday, November 14, 1949

The Senate met at 8.30 p.m., the Speaker in the Chair.

Prayers and routine proceedings.

ANIMAL CONTAGIOUS DISEASES BILL

FIRST READING

A message was received from the House of Commons with Bill 147, an Act to amend the Animal Contagious Diseases Act.

The bill was read the first time.

CUSTOMS BILL

FIRST READING

Hon. Mr. Robertson presented Bill D-6, an Act to amend The Customs Act.

The bill was read the first time.

SURPLUS CROWN ASSETS BILL

FIRST READING

Hon. Mr. Robertson presented Bill E-6, an Act to amend The Surplus Crown Assets Act.

The bill was read the first time.

TRADE WITH THE WEST INDIES

INQUIRY AND DISCUSSION

Hon. J. J. Kinley rose in accordance with the following notice:

That he will call the attention of the Senate to the restricted state of trade between Canada and the West Indies, and inquire as to what steps, if any, have been taken by the government to improve the situation.

He said: Honourable senators, when I gave this notice I had in mind the weak position of sterling exchange and the subsequent devaluation of the pound sterling by Britain and other countries, and I thought that this was a matter of considerable concern to the people of Canada, especially to those of the Maritime Provinces. Since the notice was given I have had communications which indicate that along the coast, among fishermen and those who do business in the West Indies, there is considerable concern with regard to this matter. I have also been spoken to by several honourable senators who say they have a special interest in this question, and by members of the House of Commons who have informed me that they are looking for more information with regard to this situation, which seems to concern their constituents.

This inquiry gives us an opportunity to discuss the subject of Canada's trade with the West Indies. It is a subject of concern to Canada generally, but it is of vital concern to the Maritime Provinces, including the new province of Newfoundland.

Trade with the West Indies has been a major maritime activity since our earliest days; it created industry both afloat and ashore, provided employment, and was always a vital factor in the economy of the Maritime Provinces; so much so that this trade is now considered a natural heritage of the people long associated in this trade.

My native province of Nova Scotia was outstanding in marine activities, which were greatest in the days of the sailing ship. Vessels were needed to carry on the fishing industry and to market the products of the fisheries and the forests. They were vital for transportation. The West Indies was the natural market for salted fish. This was a route by sea to the south, and Nova Scotia built the ships, manned them with her own sailors, and carried the products to these distant islands.

In those days the ocean was the best highway there was, and Nova Scotian vessels provided the fastest means of water transportation. Shipping developed enormously with world-wide activity. Hundreds of square-rigged ships were built in Nova Scotia for trade in the West Indies alone. They sailed to the islands of the Caribbean with fish, lumber, farm products and manufactured goods, returning home with cargoes of sugar, molasses, rum and tropical fruits. They also carried large quantities of salt for our fisheries. Our ships were good coasters and foreign carriers. At that time Cuba and Porto Rico belonged to Spain, and there were no coasting laws to interfere with shipping to American ports. A profitable trade circuit consisted of the carrying of fish to the West Indies, sugar to Boston, and general cargo home. This was the golden era for the Maritimes. It passed with the advent of steam and iron ships, but our fisheries struggled on because of necessity, and trade with the West Indies was continued.

After years of struggle the fisheries have increased and fishing has again become a leading industry in the Maritimes. Suddenly, however, we find our industry imperilled, not because of our weakness but because of our strength as compared to others with whom we carry on trade. The conditions are artificial and unstable, and we fear real difficulties are near at hand.

To give honourable senators an idea of the potentialities of the West Indies market, I will list the populations of the various parts

of the West Indies, the total of which is much larger than that of the Dominion of Canada. The figures are as follows:

Bermuda	35,000
British Honduras	59,000
British Guiana	376,000
B.W.I.:	
Bahamas	72,000
Barbados	199,012
Jamaica	1,314,000
Cayman Islands	6,700
Turks and Caicos	6,000
Trinidad and Tobago	586,740
Leeward:	
Antigua and Barbuda	42,000
Montserrat	13,300
St. Kitts, Nevis and Anguilla	46,000
Virgin Islands (British)	6,500
Windward:	
Dominica	49,000
Grenada	72,000
St. Lucia	79,000
St. Vincent	62,000

Then there are the Greater Antille's which outside of the British group include the following:

Cuba	5,052,000
Curacao	125,000
Dominican Republic	2,151,000
Guadeloupe	308,000
Haiti	3,000,000
Martinique	250,000
Porto Rico	2,087,000
Virgin Islands (American)	25,000

Here are the figures of our trade with the British West Indies group during 1948. They show the exports of Canadian products from Canada and the imports into Canada for consumption:

	Exports	Imports
Bermuda	4,102,078	139,211
British Guiana	8,228,637	15,379,672
British Honduras	1,150,999	833,938
Barbados	5,653,721	6,386,811
Jamaica	12,350,472	9,557,013
Trinidad and Tobago	17,105,116	9,026,508
Bahamas	3,636,439	648,345
Leeward and Windward Islands	6,177,313	308,125
	58,404,775	42,279,623

Next I will quote figures showing the trade balance of the British West Indies with Canada for the first half of this year, 1949:

	Imports into Canada for consumption	Exports of Canadian produce
Bermuda	$ 76,741	$ 2,071,940
British Guiana	7,252,391	3,305,743
British Honduras	201,339	347,551
Barbados	2,341,650	2,745,324
Jamaica	7,732,629	4,419,959
Trinidad and Tobago	8,072,088	6,812,466
Bahamas	496,915	1,239,614
Leeward and Windward Islands	138,891	2,472,787
	$26,312,644	$23,475,384

These figures include the trade between Newfoundland and the British West Indies from the 1st of April. On comparing them with the figures for the first half of 1948, it is apparent that our imports from the British West Indies are increasing and our exports to them are decreasing.

Hon. Mr. Haig: Shame!

Hon. Mr. Kinley: Our imports during the first half of 1948 amounted to $17,852,791, and our exports to $31,390,072. It is apparent that our exports to the British West Indies decreased by nearly $8 million, and our imports from them increased by about the same amount.

The record for the market outside the British area for 1948 is as follows:

	Exports	Imports
Cuba	10,986,791	22,606,489
Haiti	1,393,461	176,001
Porto Rico	2,299,589	1,582,823
San Domingo	2,385,550	17,270,035

The situation with regard to the first half of 1949, which shows some change, is as follows:

	Exports	Imports
Cuba	6,524,557	3,449,687
Haiti	842,019	480,154
Porto Rico	2,057,811	361,885
San Domingo	972,765	3,241,347

Honourable senators know that the arrangement made in 1946 with the British Government is due to expire in 1949. That government bought sugar from all the British possessions for the purpose of allocating the supply, and our needs were included in the allocation. I find that in 1948 we bought from the Fiji Islands $8,275,231 worth of imports—which I am told was mostly sugar —and we sold to that colony only $491,908 worth of exports. It appears that the West Indies biggest export is sugar, and that that country is having difficulty with Great Britain in getting its price for sugar. From the changing trade arrangements in relation to the marketing of sugar, it would appear that we have shifted our trade somewhat from the West Indies Islands.

The whole problem arises from Great Britain's adverse trade balance, which in 1948 was almost $388 million. But there were other considerations. Our adverse balance with the United States for 1948 was $305 million. One must remember that by no means all earnings appear in the trade statistics—ocean freight for instance. Canada does not carry much of her goods across the ocean; they are carried largely by the sterling countries. There is a big insurance business in Canada, both marine and property, the figures for which do not appear in the trade statistics. Also there is ocean travel. Many people travel to Great Britain and there spend their dollars. There is also the factor of colonial balances.

If we look at the figures we will find that we imported in 1938 from Malaya to an

amount of $21,878,318, and exported to that country in the same year to the extent of $1,709,056. I am told that the imports consist mostly of rubber, and are apt to diminish in the future because we are depending more on our production of synthetic rubber.

The figures for 1948 further show the following figures:

	Exports	Imports
Aden	2,653,043	5,600,000
British East Africa	3,472,711	9,542,853
Gold Coast	2,072,411	9,751,231
Ceylon	1,709,561	11,181,724

Those are some of the other considerations I mentioned a few moments ago.

Taking everything into consideration, I think that what we gain in Great Britain by way of favourable trade balance, we lose by way of adverse balance of trade with the United States. One almost cancels the other. We must remember, however, that by means of a special arrangement, Canada's trade with Great Britain has been largely stimulated by the Marshall Plan. What we really object to is being shoved out of our natural market in the West Indies, from which we import to a large extent, and to which in turn export a great deal, including fish and lumber from the Maritime Provinces. I am not familiar with the lumber industry, but I have lived alongside the fishing industry all my life and know the importance of the West Indies markets for salted fish. In fact, I do not know where else it can be sold, except perhaps in the Mediterranean area or to some of the South American countries. In my opinion the salted fish market in the West Indies is vital to the economy of the Maritime Provinces and Newfoundland. The total export of fish from Newfoundland in 1948 was $35 million of a total export of fish by Canada of $90 million. Canada's sale of cured fish to the West Indies in 1948 was as follows:

British West Indies	$3,298,000
Cuba	2,200,000
Porto Rico	926,000
Dominique Republic	746,000
Haiti	570,000
Total	$7,740,000

Newfoundland's export of cured fish, during this period amounted to $7,477,000, of a total export of $20 million.

Salted codfish is subsidized in the British West Indies to the extent of from ·3 to ·8 cents per pound. This subsidy was increased somewhat after devaluation. This creates an artificial and insecure condition for trade; in fact, Jamaica trade authorities are strenuously endeavouring to get a cheaper supply from soft currency countries, and it is known that the Jamaica trade authorities are trying to bring pressure on the Board of Trade to induce the United Kingdom cod exporters to supply their needs. They also claim that their subsidy funds should be used more to encourage the local fishing industry. In this regard I have a letter, received only today, from a big fish exporter in the Maritimes. I quote:

> Trinidad was always an excellent market for Nova Scotia codfish but due to devaluation of the pound sterling Canadian codfish prices have advanced 36 per cent there. Previous to devaluation the Food Controller of Trinidad had purchased at least 500 butts of codfish of 448 pounds each net every month but due to devaluation our last shipment of all Nova Scotia exporters was:
>
> 250 butts pollock, 448 pounds each net
> 125 butts codfish, 448 pounds each net.
>
> Meanwhile the Food Controller of Trinidad had called for tenders for 8,400 cwt. of ling and 3,600 cwt. of saithe from the United Kingdom in order to save Canadian dollars, and we are advised that a substantial quantity has been secured from this source for shipments during November, December and January, so it looks as if Nova Scotia will practically be excluded from that market due to devaluation . . .
>
> The Newfoundland exporters and most Nova Scotia exporters are withstanding the pressure from foreign markets using American currency to reduce codfish prices by 10 per cent, the amount of Canadian dollar devaluation, although this pressure for this reduction is very persistent and strong at the present time, most of the codfish sales being made are at lower prices than those existing before devaluation.

A big competitor is likely to be Norway, where currency is low. Just as soon as there is an over-supply of fish there will be no subsidy, and furthermore, the devaluation, as is shown, makes it apparently advantageous at the moment for the West Indies to seek other sources of supply. They must remember, however, that Canada is a good customer of the West Indies, and has been for generations; and I think our records and experience all go to show that it is eminently advantageous for the West Indies to deal largely with Canada.

I think Norway at one time subsidized her ships to meet competition. Perhaps Canada could do that; the subsidy would be paid in our own currency, and would at least bring in new money from outside.

It would be an awful economic blow to the Maritime Provinces and Newfoundland if there were a deterioration of the market for cured fish in the West Indian Islands. The situation has been such for some time that they would buy very little merchandise from us if they could buy from sterling areas; but fish being so important a food product has been given more consideration. With regard to other food products, I may say that when I was in the West Indies I saw ships from Austrlia lying at the wharf delivering farm products from that faraway country, and a press report last week reads as follows:

> Indies to Trade with Australia
>
> Sydney, Australia, Nov. 2: The West Indies is willing to transfer Canadian and American trade—

formerly worth $50,000,000—to Australia, G. E. deMontbrun, Managing Director of a Trinidad importing firm, said tonight.

He said he hoped to buy $1,000,000 worth of goods for his firm in Australia. Devaluation of the pound had made American and Canadian prices so high they were out of reach of the West Indies, he added.

So while devaluation has only started, we already have a vision of what it can do, not only to the fish trade, but to the general trade of Canada. The marketing of our farm products will be much more difficult, even in the West Indies, and our manufactured products are practically shut out already,—I know that personally from my own business. However, news comes to us that some of the British West Indian Islands are talking of a federation, with a constitutional freedom similar to that of Ceylon. It is a lively subject in the West Indies press, and there is quite a bit of confusion in their thinking. For instance, British Guiana has practically decided not to go into the federation. Some of these islands are more prosperous than others, and, as we had our troubles in regard to confederation, they are having their troubles too, and it may be a long time before they work them out satisfactorily. I do not think Canada would lose anything if the West Indies became a separate economic unit.

The islands of Cuba, Haiti and Porto Rico should be more favourable to us, especially if they are able to supply a portion of the immense amount of sugar we import. It may be that when we in Canada return to buying our own imports of sugar the results will be beneficial to our West India trade. It has been suggested that the present arrangement may not be renewed. Perhaps the time has come in that respect when we should look after our own interests.

With regard to manufactured goods imported into the British West Indies, I think it must be recognized that the policy is to buy nothing from the hard currency area which they can purchase in the sterling area. Up to six months ago certain articles of food produced in Canada and which could not be bought from the sterling area, were going quite freely into the West Indies. But that is not the case with manufactured goods. It is true that there was a quota of a kind, permitting a volume of Canadian exports based on what previously had been exported within a certain period. But at that time most Canadian firms were either engaged in war work or in the process of reconstruction and change-over to peacetime operation: having no quota, they were deprived of admission to the West Indian market. I wrote to the sales manager of a firm of which I am president and asked him, "Will you let me know about West Indies trade at the moment?" He answered:

A reply to your request for a statement on our present trade with the West Indies would be covered by the statement that there just isn't any.

As you know, before the present monetary restrictions, we shipped steering gears, windlasses, hoists and other deck machinery as well as fuel tanks, marine engines, galley stoves and many others of our manufactured products to practically all the British islands in the West Indies, as well as to British Honduras and British Guiana and also to the French West Indies and Netherlands West Indies.

Since the last war we have had many inquiries from our old customers and some new ones in that territory and it is quite evident that they are as anxious to trade with us as we are with them. Our most recent inquiry was from Captain T. C. Barnes of St. Barths, F.W.I. who imports through his agent, Mr. E. Pereira, St. Kitts, B.W.I., the adjacent island. His order, dated September 28, was for a steering gear for a vessel with six inch rudder head, 72 rigging blocks and 30 gross of grommet rings and his letter stated that he was interested in a Diesel engine. Not including the engine, his order would amount to about $650. We wrote him that we would require payment in Canadian dollars, and suggested that he establish a credit with the Royal Bank of Canada in St. Kitts so that his agent there could take delivery of the shipment on arrival. At the same time we wrote to trade and bank officials for advice regarding the payments in this order. As yet we have received no reply.

When I was in the West Indies last winter I visited our agent in Barbados. They have quite a fishing fleet under sail there, and it appeared to me to be a splendid market for marine engines. I went before the controller to see if engines could be sent in there, and he said he would think it over and let me know. He finally turned down my request. I then suggested to him, "Let me send some goods on consignment, and you can pay me when things get better", but he replied that he could not do that. Well, my agent had an old vessel plying between different ports, carrying coal and other goods from one island to another in the West Indies. He wanted enough auxiliary power installed in his vessel to enable him to putter along when there was no wind. I conceived the idea of getting a load of molasses for his vessel, to be delivered to a port in my country where I have some friends in the wholesale business. I then said to the controller, "Would you allow him to use the freight money he receives to install the engine in his vessel?" and he said no.

Hon. Mr. Lambert: Who said no?

Hon. Mr. Kinley: The controller in Barbados.

Hon. Mr. Hugessen: The controller of what?

Hon. Mr. Kinley: Then my agent advised me that the molasses shippers told him they could not give him a load of molasses because of an agreement they had made with Canadian National Steamship Company. He was

told that this company had to carry all the molasses or freight rates would be increased.

We have made several trade agreements through the years. Sir George Foster made one in 1912, and the honourable senator from Queen's (Hon. Mr. Sinclair) was one of the signatories to the West Indies Agreement of 1926. The steamship service was part of that agreement. These agrements were based on preferences, and Canada went to considerable expense and built a fleet of steamships at the instigation of Sir Henry Thornton. Unfortunately the war brought an end to many of the ships, and only two, the *Lady Nelson* and the *Lady Rodney,* are left. These beautiful ships are still travelling to the West Indies, but I would say that if we are to build newer ones they should be faster. The vagabond freighters we have recently built to ply to the West Indies carry a limited number of passengers, but they are much faster and more modern.

Hon. Mr. Reid: What is their speed?

Hon. Mr. Kinley: Fourteen and eighteen knots.

As I say, the steamship service was part of the West Indies Agreement of 1926, and the government of Canada agreed to provide an all the year round fortnightly service, passenger and mail, to Canadian ports. The vessels were to call at the Leeward and Windward Islands, Bermuda, Trinidad and Demerara. In addition, there was established a freight service to St. Kitts, Antigua, Barbados, Trinidad and Demerara. Towards the cost of this service the representative of these colonies agreed to pay £29,000, and if calls to Tobago were cancelled their contribution was to be reduced to £1,500. The Government of Canada also undertook, for the western group, a fortnightly service of mail, passenger and freight ships, calling both ways at Bermuda, the Bahamas, and Kingston, Jamaica, alternating with a fortnightly schedule directly between Canada and Kingston, Jamaica. The representatives of the colonies undertook the following contribution towards such services:

	per annum
Bermuda	£ 2,000
Bahamas	2,000
British Honduras	2,000
Kingston, Jamaica	12,000

From this it can be seen that Canada went to considerable expense to establish trade with the West Indies. The steamship line was evidently built with the idea of securing stability and continuity of service. But look at our present position. That the situation is disturbing the British West Indies is shown by a press report that I have in my hand about a West Indian federation. I do not think that Canada would lose anything if this federation should take place. However, that is in the distant future, and we need to do something now to bring about a healthy situation.

Honourable senators, I was particularly pleased that Newfoundland joined confederation. On March 27, 1946, which was the first time I spoke in this chamber after being appointed to the Senate, I spoke of the advisability of bringing Newfoundland into confederation. I said:

> I have come to the conclusion, honourable senators, that in the national interest and also in the interest of our fisheries we should try to induce the dominion of Newfoundland to come into Confederation . . .
>
> In the Maritimes there is a feeling that Newfoundland is a competitor in the fishing business, and that we should be inviting trouble by bringing her into Confederation. I do not think there should be much fear of that, because her fishing vessels have equal privileges with our own. True, the fishermen of Newfoundland have a little advantage in that they have no income and corporation taxes to pay. But I do think the very fact that they are producers of the same kind of goods as we produce, and competitors with us in world markets, should encourage us to work together as one great country.

I wonder if the people in other parts of Canada realize how much the prosperity of the Maritimes depends on our exports, especially fish.

We cannot eat our total production at home. Rural Ontario consumes less than six pounds of fish per person a year. The cities do a little better. For instance, Toronto consumes about 17·9 pounds of fish per capita yearly, but the yearly per capita consumption of meat is 135 pounds, and of sugar, I am told, 100 pounds. Then from a press report I read that Canada's growing manfacturing industry had its biggest year ever in 1948. It turned out products of a gross value of $11,800,-877,000, an average of nearly $950 for every man, woman and child in the country. The value of the production was 17 per cent higher than in 1947, a record year up to that time. This is a really wonderful record, compared with the figures for other years, and it is clear that we must retain our markets. What other countries must do from weakness we should be able to do from strength. Money circulating in our own country is not lost, and I think we shall be obliged to stimulate trade by subsidies. Then we should at least be able to keep our own money in circulation and bring in new money from activities created and sustained.

A question that has often occurred to me is: What is export trade? Well, export trade consists in producing goods and performing services for people in other lands and receiving goods and services from other lands in return. The exchange of goods and services creates an ocean trade, and if you have a balance on the right side you feel that you have a good export trade. That being so, it

occurs to me that as we have only a little more than 12 million people in this country it would be wise to bring in good classes of people from other countries and have them become citizens of Canada. They would work and increase our consuming population, and they would also add to our national importance when we are bargaining for export trade. It seems to me that selected immigration is the first thing that Canada should undertake for the purpose of expanding her trade and at the same time helping to make this country more self-sustaining. Canada could easily maintain 25 million people, and I think we should make it our objective to bring our population up to that level in the near future.

We all approved of the British Trade Agreement. Honourable senators will remember the so-called Ottawa Trade Agreement that was made in 1932, I think, when Mr. Bennett was Prime Minister. It largely superseded other agreements that we had made with British Empire countries. The monetary agreements of recent years are of great importance to parts of Canada. It is certainly necessary to market the wheat of Western Canada, for instance, and the beef, pork, butter, cheese and other farm products of Central Canada and other agricultural areas. But I cannot see how Nova Scotia will profit very much from these monetary arrangements. Britain will not take our salted fish, and there is nothing else we can send from the Maritimes, except a little lumber. In the present confused state of world trade, with the emphasis on the balancing of dollars and sterling, the interests of our fishermen and other people along the Maritime coast are in danger of being squeezed out of their small trade with the West Indies, which is really only a North and South exchange of goods.

We would not like to see British trade operate as a factor in keeping us out of the West Indies market. Special consideration, I submit, should be given to our trade with the West Indies. I think that our Department of Trade and Commerce should point out to the British authorities that Nova Scotia and the other Maritime provinces have for generations traded with the West Indies and have based their production on the existence of markets there. Therefore, in whatever is done in an attempt to balance the dollar situation, special consideration should be given to the maintenance of trade between the Maritime Provinces and the British West Indies.

Cuba and Porto Rico are also important markets that could be improved from our standpoint. Newfoundland has a very important fish trade with Porto Rico. When it is considered that we have a large adverse balance of trade with the United States and that the Americans do not compete with us in the West Indies market for salted fish, it might be expected that they would help us to market our goods in the islands of the Greater Antilles. Cuba's economy has always been closely allied to that of the United States, and Cuba is very partial to American trade. However, we have a good fish trade with Cuba, and it should be encouraged and developed. Porto Rico is a part of the United States, and devaluation of our currency will not hurt us in that island. I am told also that there is a great chance for improved trade with the Dominican Republic. As you know, we took our sugar trade away and transferred it to the Far East. It seems to me that we should make greater use of our purchasing needs for tropical goods to extend the West Indies markets for the fish and other products of the Maritime Provinces.

I do not like subsidies, but they are in vogue, and really they are only a distribution of our own currency among our own people. If properly administered, subsidies help to increase employment and mercantile activities. As honourable senators know, there is at present an authority for a floor price on fish. If the fish business got very bad, the government could say to exporters, "You must pay the fishermen this floor price, and we will make good the loss you sustain in marketing the fish abroad."

Strange things are happening these days; and what we used to think could not be done is a common occurrence now. We have learned a good deal about money in late years. For example, we have learned that money is not wealth, but is only a medium of exchange. I remember reading once that Montagu Norman, former Governor of the Bank of England, said that the money business had got into the realm of mystery.

We are strong enough to be able to see to it that our trade with the West Indies is continued and expanded. It is a give-and-take business which is mutually beneficial to the people directly concerned.

The British West Indies have problems. With the possible exception of British Guiana most of the islands have export trade deficits. This does not take into consideration the tourist traffic. The Aluminum Company of Canada has bauxite deposits located in British Guiana and sends quantities of that product to Canada, and that helps to create a favourable trade balance for that colony.

The facilities for doing business in the West Indies are poor, especially in the smaller islands. Their methods are primitive, and the natives frown on the use of machines. Over-population is becoming a problem, and

the living standard is suffering. The old question of the use of machines creating unemployment has been argued many times; but I would point to the United States, the most highly mechanized country in the world, where there is also the highest standard of living. Economists say that the use of the machine does not destroy employment, but on the contrary creates employment. Some of the British West Indies have wharves and docks. Honourable senators will remember one, for instance, at St. Lucia, where I believe the Germans torpedoed the *Lady Nelson* during the war. There is a good pier at Grenada, and also at Trinidad and British Guiana. It should be pointed out that at British Guiana the waters of the Demerara River have brought down so much silt that our boats can only go in with half load. At Barbados large boats have to lie off shore.

Canada might very well extend help, in the form of loans, to improve trade conditions with the West Indies. I recall that after the First Great War we lent money to Roumania and it was not repaid. Loans were made to many European countries, and we got little out of them. Today we are lending money, and we do not know whether it will ever be repaid. It seems to me that because of the proximity of the West Indies to the American continent we could spend some money to advantage in stimulating trade between that part of the world and Canada.

We do not know how permanent will be the trade advantages to be derived from currency devaluation. Only time will tell. In the meantime we should make every effort to preserve trade that is natural and reciprocal. That applies to our trade with the West Indies, in which the Maritime Provinces are vitally interested. I trust, therefore, that our government will give this matter full consideration.

Some Hon. Senators: Hear, hear.

Hon. Mr. Haig: Honourable members, before the debate is adjourned, I should like to ask my honourable friend from Queen's-Lunenburg a question. I did not understand what he referred to when he mentioned the British Agreement. What did my friend mean by that?

Hon. Mr. Kinley: There have been three agreements. The one in 1912 was made, I believe, by Sir George Foster.

Hon. Mr. Haig: But my friend said that Canada had an agreement with Britain which was detrimental. To what agreement does he refer?

Hon. Mr. Kinley: I refer to the agreement whereby Britain undertook to take so much of our wheat, bacon, cheese and so forth at a price to be negotiated with our government.

Hon. Mr. Lambert: A bilateral agreement

Hon. Mr. Kinley: Yes. I say that we in the Maritime Provinces do not benefit very much by that agreement.

Hon. Mr. Horner: Nor do we in the West.

Hon. Mr. Haig: I do not wish to continue the debate, but I say quite candidly that I have heard a lot of heresies tonight in which I do not believe. My honourable friend said that the British Wheat Agreement was detrimental to the Maritime Provinces.

Hon. Mr. Kinley: I did not say that.

Hon. Mr. Haig: That was what my friend indicated.

Hon. Mr. Kinley: But I did not say it. My remark was that it was of benefit to the West.

Hon. Mr. Haig: But not to the Maritime Provinces.

Hon. Mr. Kinley: I said it was not as beneficial to the Maritime Provinces.

Hon. Mr. Haig: You said that it did not benefit the Maritime Provinces at all.

My honourable friend should read in the daily papers what the British leftist members of the government say: that they are going to ruin Canada because they are keeping her by paying a high price for her wheat. Everybody in Canada knows that we lost money on the price paid under the wheat agreement as compared with the world price.

Hon. Mr. Kinley: I agree with that.

Hon. Mr. Haig: We have had a loss of between $350 million and $1 billion during the period of the operation of the agreement.

The point which my honourable friend did not touch on is that the sterling areas cannot deal with us profitably because we are faced with a proposition because the United States choose to sell only about 10 per cent of their total production outside of their own borders. The other 90 per cent is disposed of within their own territory. As a result, from 1886 to the present time the United States have refused, by way of tariff arrangements, to allow any part of the rest of the world to sell to that country. All that the United States are doing today is lending money to keep the trade moving.

My honourable friend suggests that we should lend money to the West Indies to improve harbours and extend subsidies. Such arrangements would only be temporary and could not operate successfully under our

economic conditions. The world today faces a situation which many people refuse to recognize, namely, that Canada and the United States have a surplus of goods to sell which we must dispose of at a certain price in order to maintain our standard of living, but that the rest of the world has not sufficient money to buy those goods. As long as that situation continues we will have trouble.

Instead of making a speech to the Senate, my honourable friend would have done much better had he arranged a dinner engagement with the Minister of Trade and Commerce, and had that honourable gentleman tell him what he proposes to do concerning Canada's trade policy.

During the period from 1939 to 1948 there was no difficulty in selling our goods to the world. As long as Canada and the United States lent their money by the millions and billions of dollars, the rest of the world could buy their goods. Now the shoe is starting to pinch. My friend complained that the Maritime Provinces could not sell their lumber and fish. I would point out that the rest of the world cannot buy our goods at the prices we must ask in order to maintain our standard of living; and up to the present time our people have refused to recognize that problem. True, the government has given certain subsidies. The price of butter is being controlled, and now the western farmers are demanding a floor price for wheat and cattle. I am just wondering how soon someone will ask for a floor price on manufactured goods. As long as we lend money to Great Britain and the European countries they can buy our goods, but we have come to the end of the road. Our currency is running out. The government is already promising to put on more restrictions.

I should have liked to hear my honourable friend say something about the policy of the government to meet the world-wide trade problem. The honourable Minister of Agriculture has said that he hopes to renew the agreements with Great Britain. I may be wrong, but I do not believe the left-wing labour members in Great Britain would talk as they do if their government intended to renew those agreements. Yet there must be people in that country who like that kind of talk, or we would not hear it. These men are grossly misrepresenting the facts of the case—facts known to every one of them. Crossman, who is a well educated man—a graduate, I understand, of Oxford—knows as well as anyone that what he is talking is all nonsense. He knows that the agreement we made with Great Britain was wholly for their benefit. We have received no word of thanks. It is time that some of the leading British Conservatives, who are the main opposition party, and other supporters of the right-wing in British politics, showed publicly some appreciation of what Canada has done. I do not know how a person like myself—and I regard myself as a representative of the common people—can be induced to buy British goods when prominent people in the United Kingdom make such nonsensical statements as that Britain is maintaining the Canadian economy by buying our wheat when she is buying it at half price. My honourable friend from Queens-Lunenburg (Hon. Mr. Kinley) might as well realize that they will never provide a market for the fish of the Maritimes. The very day the wheat agreements came before this house I pointed out that upon the expiration of these agreements the British Government, far from making a new deal which would give us a profit, would force us down to the very lowest figure. Maybe someone will say, "Senator Haig, you have no right to talk like that, because there are in Canada many people who come from Great Britain and who believe in the British connection." Quite so, but everything in my experience has confirmed my belief that the Britisher is a hard bargainer—a very hard bargainer; and if we are to get on in the world we had better be hard bargainers too. Britain is now negotiating with Russia for her grain, and with Sweden for her pulpwood.

I think my honourable friend should have pointed out these things, and he might have admitted that some blame attaches to our government. They were told what was coming. If I may be pardoned a personal reference: yesterday a newspaper reporter said to me, "Mr. Haig, how did you guess that the federal election would be on the 27th of June, 1949? You announced it, you know, on the 3rd of February, but we thought you were just jollying the boys along. How did you guess the date so exactly?" I said, "It was the simplest thing in the world. The fact was 'writ large' in all the trade journals, all the official interviews, all the trade returns of this country, that the government was riding into a storm, and they knew that they would have to get to the people before the storm broke; so as the latest date possible to them in June was the 27th, they went to the country on the 27th of June".

Hon. Mr. Howard: And they had pretty good results.

Hon. Mr. Haig: And they had good results, as I thought they would when I predicted the date. I said that if they picked June 27th there would be trouble for their opponents. But I am quite sure that the 27th of June,

1950, will not be as propitious a date from their point of view for an appeal to the country.

I listened attentively to the speech of the honourable senator for Lunenburg (Hon. Mr. Kinley), and I was delighted with it, but I was disappointed that he did not offer any solution. I have little personal knowledge of the West Indies. However, when I visited the islands a year ago as a representative of Canada I was surprised at their trade possibilities. I can understand why the people of the Maritime Provinces take pleasure in trading with them, because the people are very nice to deal with.

The honourable senator should have suggested how our trading problems are to be solved. The people of the province I have the honour to represent are seriously concerned about the prospects of marketing their grain, their cattle and their hogs. Probably the United States will buy our cattle and hogs, but they are not likely to want our grain. A large part of the corn crop which was harvested in the fall of 1948 in the United States is still in bins, and the 1949 crop is coming in. All the grain crops of last year remain unsold in American granaries, and now more grain is arriving. Somebody suggested the other day that the United States would have to draw its wheat and corn out into the Atlantic and dump it there. I notice, too, that India is proposing that the United States give them a large supply of wheat. The word they use, "lend-lease" is more polite than "gift", but the meaning is the same.

I am concerned at the prospects for export business. I appreciate the difficulties of the Maritime Provinces and Newfoundland: they affect the rest of the country. As yet, Ontario and Quebec have not felt the pinch, but I warn honourable senators from those provinces, who are a little slow in realizing the situation, that the outlook for the disposal of our primary products is not good. The farmers of Saskatchewan, Manitoba and Alberta are depending upon the government to put a guaranteed price on their wheat. I do not profess to be a financier, but it is my belief that no country in the world can continue for any length of time to guarantee the price of any product. Sooner or later it is the world price which will be the dominating factor. I am aware that in the United States definite prices have been established for grain, cattle, and other commodities. It remains to be seen how long they can be maintained; maybe until 1952 when President Truman has offered himself for re-election. We in Canada may continue to sustain the price of apples and some other commodities of which production is comparatively small, but we cannot long afford to do it for wheat, fish or forest products. To me, as one Canadian, the situation is disturbing, and I want to hear from the government what their policy is.

In this morning's Toronto *Globe and Mail*, on the financial page, I read a reference to a speech made by Mr. Donald Gordon in New York a few days ago. What is the response of the government to that statement? The Minister of Finance denied that he had anything to do with the speech; but he knew about it, he had a copy of it. I wonder what answer the government can make to the speech made by the honourable member for Dufferin-Simcoe during the budget debate. We need more trade: where is it to come from? Already my honourable friend from Medicine Hat (Hon. Mr. Gershaw) is complaining that a large pottery plant in his city has been closed down. It will not be long until the honourable member from Northumberland (Hon. Mr. Burchill), who sells props for the mines, will find that his business is falling off. I think the government leader or some of his able confreres should tell us what they are going to do to meet this problem, what encouragement they can give to our people to meet whatever the future may hold for them.

Hon. Mr. Reid: As a champion of the farmers, is the honourable member opposed to the government of the country protecting the farmers against low prices by subsidizing their products?

Hon. Mr. Haig: I am glad my honourable friend asked the question. As I said before, no government can do that very long.

Hon. Mr. Reid: I asked a question. Will the honourable senator reply, yes or no.

Hon. Mr. Haig: I will answer. Don't worry; don't get excited.

Hon. Mr. Reid: I am not excited.

Hon. Mr. Haig: It is not the first time I have been asked questions in this house. The government may carry on that policy for three or four years, but they will come to the end of the road. With world conditions as they are, big business cannot continue to make the profits they are getting now. Where are they going to sell their manufactures? Not in Great Britain, which is now buying extensively from the continent, and will buy from Germany—the very nation it has been fighting—once Germany gets on its feet. That is what the British have always done.

Hon. Mr. Quinn: They are buying from Russia.

Hon. Mr. Haig: As my honourable friend says, they are buying from Russia. They are

also buying from Czechoslovakia, from Yugoslavia, and all the other countries "behind the curtain".

Hon. Mr. Baird: There is no sentiment in business.

Hon. Mr. Haig: None at all. I agree with you. But our government can only subsidize wheat for perhaps a year or two because subsidization can only be carried on when the world has lots of money and has to buy wheat. As an economic novice, I am not in favour of continuing subsidies that cannot be continued under any system of economy, because ultimately world trade always governs the price that can be paid. There may come a day when we from Western Canada can say to the manufacturers of Ontario and Quebec, "You have got to lower your prices and admit foreign goods into Canada or else we cannot sell our goods to other countries." How can Great Britain buy goods from us unless she can sell to us? How can I buy goods in a store if I have not earned the money with which to buy the goods? That is the situation. No nation can maintain its trade by subsidization, and Great Britain is finding that out now. If it were not for American loans the British people would be bankrupt. They would be starved to death. They thought they could subsidize anything and hold it up, but they are finding out differently, and are being forced to quit.

Honourable senators, I did not intend to discuss this matter for so long, but I was disturbed by the speech of the honourable senator from Queen's-Lunenburg (Hon. Mr. Kinley). I appreciated the facts he gave, because I know that he is probably as well qualified as anybody in this chamber to give us facts and figures about trade in the West Indies. But I waited in vain for him to give us a solution to the problem. He did blame the government for making what we call the British Wheat Agreement, but that is all. How are the sterling areas to buy goods from us when they have no dollars? I hope that before this debate is concluded somebody on behalf of the government will tell us what their plan is to meet the present world trade situation.

Hon. S. S. McKeen: Honourable senators, I am not going to speak on behalf of the government, for I am not in the government, but because I have been watching Canadian trade conditions and the actions of the government in regard to them. It would seem from the words of the last speaker (Hon. Mr. Haig) that the government is doing nothing whatever for trade; but from where I sit and from what I see in the trade figures, I would say that the government has done a good job for the trade of Canada. Our country now has a trade whose exports and imports are practically in balance, whereas there is unbalance of trade in some other countries. I did not know that this debate was coming on tonight or I would have brushed up on my figures. However, speaking from memory I will give general figures that are correct. Our trade with the United States in 1947 showed an unbalance of nearly a billion dollars. Our government took action at that time and started to straighten out that unbalance, and today it has been reduced to less than one-half a billion dollars.

Hon. Mr. Haig: For this year?

Hon. Mr. McKeen: For this year.

Hon. Mr. Haig: You mean 1948?

Hon. Mr. McKeen: The latest figure—for 1948. They are continuing to reduce the unbalance of trade. One way to settle the matter would be to drastically reduce imports from the United States, but so far they have not done that. The total trade of Canada has increased during the same time that the government has funneled through trade to other countries to balance their trade. At the present time there is a businessman's committee, a dollar sterling committee, headed by Mr. J. S. Duncan. This committee is doing a splendid job. Throughout, the government has taken Canada's trade and has tried to place our purchases where they will balance sales to other countries. That is the way they cut down this unbalance with the United States. In addition to restricting purchases from the United States we have sold more to the United States; but the government is endeavouring to buy more from Great Britain. In order to balance trade it has encouraged the importation of machinery, automobiles and any other goods it can get from the United Kingdom. We have trade with the West Indies, and I think if my honourable friend from Queen's-Lunenburg (Hon. Mr. Kinley) were to compare the latest figures with those of 1939, they would show up pretty well.

It is true there will be dislocations at times, but to charge that the Dominion Government or the Department of Trade and Commerce is sitting aside and doing nothing is far from the truth. The government is energetic in its efforts and is doing an excellent job.

While we are at it, I think we might just as well see what the government has done with regard to finances as compared with other nations. Even the United States has not done the job that Canada has done. This year they forecast a five and a half billion dollar unbalance.

Hon. Mr. Haig: Yes, but you must remember that they take into account the moneys they send to Europe.

Hon. Mr. McKeen: Surely.

Hon. Mr. Haig: Well, that covers it. We did not give any.

Hon. Mr. McKeen: Yes, we did. Out of the $5 billion that went to Europe, we gave one and a quarter billion. At the same time we cut down our national debt half a billion, whereas the United States has increased its debt. I think ours is a good record for any government. Our standard of living is high. By paying off our debt we are building up a cushion, so that if we have to give some assistance to our industries, farmers, fishermen and others, the government will be in a strong financial position to do it.

As far as the policy on subsidies is concerned, I think the government are in agreement with the leader of the opposition (Hon. Mr. Haig), because they have been cutting down subsidies. Subsidies are only a palliative and not a cure. They are used when the workers in any line in some part of the country need help to carry on for a short while. I might say that as the government's financial position improves it will be better able to grant these subsidies.

On the West Coast we are probably concerned in export trade more than any other part of Canada—even more than the Maritime Provinces—because while the export trade of Canada is roughly from 33 to 35 per cent of the total, our trade in British Columbia is 65 per cent export and 35 per cent domestic trade. We are watching trade, and we know that the trade of the world is constantly shifting. This is not a new experience. There was a shift of our lumbering business during the Bennett regime in 1932, and there will be shifts again in the lumbering and other industries. The manufacturers of some products in the export field have enjoyed such good business that they have forgotten their local markets. I do not want to mention any names, but there was a lumbering company in British Columbia whose exports to the United Kingdom ran roughly to 70 per cent of their total business. Well, the market died out, and the United Kingdom did not buy any more of that firm's product. They had said they would, but they did not. This large concern, who were manufacturers of plywood, had to lay off one-third of their employees. But instead of discharging the rest, they determined to make a real effort on the local market, and decided to spend $25,000 a month on advertising in Canada. They arranged with jobbers to send men on the road, and they paid half of the salesmen's salaries and expenses. Well, after about four months that plant was running at full capacity. The jobbers said to the company: "Please stop your advertising campaign, for we have more business than we can handle". The plant is still running full time, supplying its products to purchasers in this country. That is an instance of what can be done by real initiative in selling. I think the trouble in many lines of business is caused by the lack of a good selling campaign.

A country-wide campaign is now being started to increase the consumption of fish. Canada exports more fish than any other country in the world, yet our per capita consumption is the lowest in the world. Why do we not eat more fish? The answer is that we have never done a really good selling job. I believe that the present campaign will induce Canadians to eat more fish, and that in this way we shall take up a good deal of the slack in our export.

Nova Scotia is not the only province that has had an apple surplus, for we have had one in British Columbia. But here again our people gave a lot of thought and hard work to the sales end of the business, and they have been quite successful. As a matter of fact, we rather chaffed our friends in the Maritimes when it became known that the only apples on sale in the new province of Newfoundland were from British Columbia. That market was not obtained by sitting down and asking the government to do something. It was enterprise which enabled the sellers of British Columbia apples to do business with Newfoundland, in spite of the competition that would naturally be expected from Nova Scotia, which is relatively close to the island. I am not suggesting that British Columbia knows more about selling than other provinces do. On the contrary, I am suggesting that the people in the other provinces can do just as well if they will continue to seek new markets.

I would like to say that this government has been most co-operative in trying to assist the British Columbia lumber industry—with which I have been closely associated—and also the fishing industry, in selling their products on the United Kingdom market and any other market where government help could be given. When the going got tough, as it is right now, the lumber companies formed sales organizations. They are all working together on the common problem of selling their product wherever it can be sold, anywhere in the world. So far as I know, no subsidy has ever been paid on lumber for export. During the war it was sometimes said that the price obtained by the government for wheat sold to Britain was less than the farmers could have got elsewhere. Well, in those days the lumber industry, not only in British Columbia but

in every other province, obtained on the export market many times the price obtainable on the domestic market. In fact, at times the mills suffered a heavy loss on their domestic business. That was a contribution which meant much cheaper construction of houses and other buildings in Canada than would otherwise have been possible. No subsidy was paid by the government, but the industry subsidized the construction of houses and other buildings.

Hon. Mr. Horner: Houses have gone up in price to three times their pre-war value.

Hon. Mr. McKeen: I think you will find that is chiefly because of increased labour costs. The cost of lumber that goes into a house is only a small percentage of the total cost.

Hon. Mr. Horner: Lumber that was sold locally at $12 per thousand feet before the war went up to $100. That is a direct factor in the high cost of housing. Our grain was taken from us at a low price, but the lumbermen got four times the former price for their product.

Hon. Mr. McKeen: The lumbermen of British Columbia did not get four times the former price.

Hon. Mr. Horner: That is what we had to pay on the prairies.

Hon. Mr. McKeen: The extra price there may have been due to transportation costs and charges made by local lumber yards, but the domestic price at the mills was held down by the government to at least $15 or $20 a thousand feet less than the export price. If that is not a subsidizing of lumber by the lumber industry, I do not know what it is.

I am sorry that I was not prepared to take part in this debate. In closing, I just wish to repeat that the government has not subsidized the export of lumber, but has done all it can to help the industry obtain new markets. Officials of the Department of Trade and Commerce and of our own government in British Columbia co-operate with the industry's own sales organizations every day, and they are getting results.

Hon. T. A. Crerar: Honourable senators, the question raised by the honourable senator from Queens-Lunenburg (Hon. Mr. Kinley) relates to our trade with the West Indies. He claims it is in a rather restricted state, and he wants to know what the government is going to do about it. My honourable friend the leader of the opposition (Hon. Mr. Haig) poses the same question, only with a great deal more vehemence. He was extraordinarily accurate in reading the stars as to the date of the last election, and perhaps he could also read in the stars the solution to our trade problem.

Hon. Mr. Haig: That is not my duty.

Hon. Mr. Crerar: He calls upon the government to do something. The honourable senator from Vancouver (Hon. Mr. McKeen) states that the government has really done a great deal about this—

Hon. Mr. Howard: Hear, hear.

Hon. Mr. Crerar: —and that on the whole we have been pretty fortunate.

After that bit of light talk, I wish to say that I think it is important that we should understand—at least, I certainly want to understand—the causes that have led to the present unbalance of trade and how it can be cured. There is no doubt whatever that this condition has resulted from the terrific dislocations created by the war, mainly in Europe. Before the war we always sold more to Britain than we bought from her, and we always bought from the United States more than we sold to them. There is nothing new in our importing from the United States today more than we are selling to them. That has always been our position. But before the war currencies were convertible. The surplus pounds that we got from Britain could be changed into United States dollars and used to pay for the excess of imports from the United States over our exports to that country.

Hon. Mr. Haig: May I ask my honourable friend a question? Is it not true that prior to the war the sterling area other than Britain sold us more than Britain did?

Hon. Mr. Crerar: That may be so. I did not expect to take part in this debate, but—

Hon. Mr. Haig: My friend always gets up after I make a speech.

Hon. Mr. Crerar: For instance, the sterling area sold us rubber, tin and similar commodities.

I wish to go back to my theme, which was somewhat interrupted by my honourable friend's question. I repeat, we were always in the position of buying from the United States more than we sold to them; but because our currencies were convertible, we could pay for the surplus purchases from that country with surplus pounds which we earned in Great Britain. That arrangement has gone for the time being—gone with the wind.

We must understand that for five years, during the recent war, Great Britain's exports to the world practically ceased. Her factories were not producing the boots and shoes and electrical equipment which could have been sold in other parts of the world,

but were making airplanes, guns and munitions. That tremendous upset in the British economy could not be corrected in a few years. Other countries of Europe suffered in the same way, but to a lesser degree. Canada recognized that problem when she agreed to lend Great Britain a million and a quarter dollars. Our loans since the war to Great Britain and European countries total almost $2 billion.

The United States saw the problem, perhaps, from another point of view. It did not want western Europe to go down in despair and anarchy, so the Marshall Plan was evolved. The simple reason for it was to bolster the economy of Great Britain and the European countries; and to try to get them back on their feet.

We may be critical of Britain's domestic policy. Personally, I think she has made some rather serious mistakes in the conduct of her domestic affairs. Now that these credits are running out, the question is whether she can build up her exports to Canada within the next few years to the point where, when the Marshall Plan is through, we can again resume our trade with her on other than a charge account basis. The Marshall Plan is nothing more than a charge account, and the seller country operates in the same way as did the merchant in the early days of the West, when he sold on credit to farmers or individual citizens. We all hope that Great Britain and the European countries will soon get back on their feet and again be good customers of ours.

My honourable friend from Queen's-Lunenburg (Hon. Mr. Kinley) stated a very definite problem. He said that we should sell fish and lumber to the West Indies and take sugar in return, But, he added that the Fiji Islands sold $8 million worth of sugar to Canada. I would point out that Fiji is in the sterling area, and when it sells $8 million worth of sugar in Canada, that amount of dollars goes into the sterling area to buy our wheat, lumber and so forth. I do not think we can do very much about such a situation, and it is futile to criticize the government because it is not curing it. The nations of the world are caught in the grip of strong forces, and it is going to take a long time to adjust matters. Unless the Marshall Plan is carried on, or some similar plan is adopted, we are going to have trouble selling our products to Europe for many years to come. If we do not continue our loans to Great Britain we may have difficulty in finding markets for our products. We should set our own house in order, as far as it is possible to do so, against that day.

I agree with the attitude of the honourable leader opposite (Hon. Mr. Haig) on the question of the wheat agreements. The honourable member from Queen's-Lunenburg asked why the Maritime Provinces did not enjoy a similar agreement for the sale of their products. I have never been a protagonist of the wheat agreement between Canada and Great Britain, because it cost the farmers of western Canada several hundred million dollars.

Hon. Mr. Howard: That is questionable.

Hon. Mr. Crerar: My honourable friend from Queen's-Lunenburg, and the province of Nova Scotia, got substantial benefits from that agreement for the very reason that the Canadian flour mills bought wheat on the same basis as that under the British agreement.

Hon. Mr. Horner: They got it for less.

Hon. Mr. Kinley: No, no.

Hon. Mr. Haig: Oh, yes, they did.

Hon. Mr. Kinley: They made a good profit at the price.

Hon. Mr. MacLennan: Did the people of western Canada get the same benefits?

Hon. Mr. Crerar: Certainly.

Hon. Mr. MacLennan: Then why did not the Maritime Provinces get something?

Hon. Mr. Crerar: I am merely saying that had the markets been open, so that we could have sold our wheat to the world, my honourable friend from Queen's-Lunenburg (Hon. Mr. Kinley) and my honourable friend from Margaree Forks (Hon. Mr. MacLennan) would have paid a good deal more for their bread during the past four years than they have paid.

Hon. Mr. Lambert: My honourable friend should not overlook the fact that while the domestic consumption of flour was made from wheat bought at the basic price of about 70 cents, there was also a processing tax, which meant an increase in the cost to the consumer.

Hon. Mr. Haig: No, no.

Hon. Mr. Lambert: In the end, the price was practically the same as that at which it was sold to Great Britain.

Hon. Mr. Crerar: It is true that the government paid a subsidy, but the price paid for

wheat which went into Canadian consumption was fixed on the basis of the British wheat agreement; therefore the consumers in Canada benefited to that extent.

Before I sit down, honourable senators, I wish to say that this imbalance of trade, or this so-called dollar problem, is not something which can be cured by some sleight-of-hand on the part of a government here or anywhere else. Before we have passed through these troubled times we will have to exercise all the patience and forbearance we can bring to our aid.

On motion of Hon. Mr. Howard the debate was adjourned.

DIVORCE BILLS

THIRD READINGS

Hon. W. M. Aseltine, Chairman of the Standing Committee on Divorce, moved the third reading of the following bills:

Bill A-6, an Act for the relief of John Albert Roberts.

Bill B-6, an Act for the relief of Leslie Ernest Tulett.

Bill C-6, an Act for the relief of Ernest Tonegawa.

The bills were read the third time, and passed, on division.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Tuesday, November 15, 1949

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

Prayers and routine proceedings.

DIVORCE BILLS

FIRST READINGS

Hon. Mr. Haig, Acting Chairman of the Standing Committee on Divorce, presented the following bills:

Bill F-6, an Act for the relief of Rene Walsh.

Bill G-6, an Act for the relief of Sara Tepper Prupas.

Bill H-6, an Act for the relief of Joseph Wilfred Melanson.

The bills were read the first time.

The Hon. the Speaker: When shall these bills be read the second time?

Hon. Mr. Haig: With leave, next sitting.

CANADA'S TRADE

EXPORTS AND IMPORTS

On the Orders of the Day:

Hon. S. S. McKeen: Honourable senators, with the leave of the Senate, I should like to put on record some figures about which I was asked last night, and which I could not then present up to date.

In 1947 the total value of Canadian exports to all countries was $2,812 millions, and of all imports $2,574 millions, leaving a favourable trade balance of $238 millions. We exported to the United States in the amount of $1,057 millions, and imported $1,975 millions, making a deficit of $918 millions. To the United Kingdom our exports were $754 millions, and we imported $189 millions, the United Kingdom deficit being, therefore, $565 millions.

In the nine months ended September 30, 1949, our exports to the United States were $1,039 millions, and our imports from that country were $1,471 millions, representing a deficit for nine months of $432 millions as compared with $918 millions in the previous twelve months. Our exports to the United Kingdom amounted to $529 millions, and our imports, to $240 millions, or a difference of $289 millions for nine months as compared with $565 millions for the full year 1947. It is difficult to express the statistical position in terms of a full year, because, owing to devaluation, imports from Britain will be greater than they would have been otherwise; while our exports to the United States will increase and our imports from there will decrease. But leaving these considerations out of account, our total imports in the current year are estimated at $2,889 millions, and our imports at $2,665 millions, representing a total trade for Canada in 1949 of $5,554 millions, against a total of $5,386 millions in 1947.

HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS

MOTION

The Senate resumed from Thursday, November 10, the adjourned debate on the motion of the Hon. Senator Roebuck, that the government be requested to submit to the forthcoming Dominion-Provincial Conference on the constitution a draft amendment to the British North America Act.

Hon. J. G. Turgeon: Honourable senators, in rising to speak to this motion, I wish first to state that I am fully in accord with the suggestion made in this chamber last week by the leader of the government (Hon. Mr. Robertson) that the time is not fitting for this particular motion to be accepted. In that regard I wish to take the liberty of reading the motion, because if it were not withdrawn I should have to oppose it. Although it contains a number of articles, the main part is as follows:

> That the Government be requested to submit to the forthcoming Dominion-Provincial Conference on the Constitution the following draft amendment to the British North America Act:
>
> 1. The British North America Act, 1867, is hereby amended by adding thereto the following part, which shall be known as "The Canadian Bill of Human Rights and Fundamental Freedoms."

By this motion we ask the government to submit to the conference with the provinces which has been called for January 10, certain amendments to the constitution, which in effect would require the ten provinces to surrender some of the rights which are theirs. As pointed out by the leader of the government, the conference has not been called for that purpose. In a letter of the Prime Minister dated September 28 last, he asks for this conference "with a view to working out a method of amending the constitution in Canada which would be satisfactory to all Canadians". That is the sole purpose of this particular meeting. It is not to decide or discuss what changes should be made; it is merely to set out conditions under which the constitution may, as deemed necessary and advisable, and with the consent of the provinces, be amended subsequently from time to time.

I propose to give a brief history of this whole question of human rights as it has been considered before the United Nations. But first, may I compliment the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck), as the leader of the government has done, for having brought this matter, through this body, before the public at this time; and this I do while not agreeing with the substance of the motion. The honourable senator from Toronto-Trinity in his speech on the motion made particular reference to Mr. B. K. Sandwell, the chairman of the committee dealing with human rights in Canada. I hope that neither the honourable senator who has moved this motion, nor Mr. Sandwell, whom I hold in very high regard, will feel that my opposition, or that of any other senator, is motivated by any feeling of personal animus, or that I am lacking in appreciation of the work that men like Mr. Sandwell have done, over a long period of years, to bring about good will within Canada.

The honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) also mentioned the joint committee of the Senate and House of Commons, which for a couple of years studied this question of human rights and fundamental freedoms, and he expressed disappointment at the lack of definite action taken by that committee. Well, to some extent I accept responsibility for the disappointment that has come to my honourable friend, because not only was I a member of that committee, as he was, but on one occasion I suggested that the proposal—it was then only a proposal—made by the Human Rights Commission of the United Nations, and which was before our parliamentary committee for study, was not properly speaking so much a basic Bill of Rights as it was a political doctrine or statement of general policy which might be adopted by a political party as the basis of its work in its own country. My point was that at that time it was not a definite Bill of Human Rights which could have been put into a constitution, because of the fact that a constitution is a document which might be subjected to dispute or question from time to time in the courts of the land. That is a point we must be careful about when we are amending the constitution to provide for a Bill of Rights.

Article 56 of the Charter of the United Nations is nearly always referred to in any discussion on human rights. It reads:

All members—

That is, all members of the United Nations.

—pledge themselves to take joint and separate action in co-operation with the organization for the achievement of the purposes set forth in Article 55.

Now, Article 55 contains three different sections or proposals. The article begins as follows:

With a view to the creation of conditions of stability and well-being which are necessary for peaceful and friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples, the United Nations shall promote:

Then follow three clauses, a, b and c, of which I shall read only the third:

c. universal respect for, and observance of, human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion.

That is one of the purposes contemplated by Article 56, in which all members of the United Nations pledge themselves to take joint and separate action in co-operation with the organization for the achievement of the purposes set forth in Article 55.

It has been stated by at least one noted philosopher that a democracy is the worst form of government, because in a democracy a minority is always subject to the will and dictation of a majority. I am not going to enter upon a detailed discussion of that question, but I want to say that every member of the Canadian parliament can with complete justification rise and deny that statement. If I may introduce a personal note, I would point out that I am a member of a minority and have lived most of my life in two Western provinces, British Columbia and Alberta, where I have been active in business and politics since 1907. I am in what might be called a double minority, for I have a name that most of my constituents could not pronounce, and in religion I am a Catholic, living almost surrounded by people of non-Catholic faiths; but at no time whatever have I suffered in the slightest degree because of being a member of a minority in racial or cultural origin and in religion.

As I have said, I wish to place on record some of the steps that have been taken by members of the United Nations with respect to human rights and fundamental freedoms, and the measure—for as yet it is only a measure—of success that the United Nations organization has so far achieved. The Commission on Human Rights was established by the United Nations in June or July of 1946, but it was not until December 1948, that is after practically two and a half years of work, that it succeeded in having the Declaration of Human Rights accepted by the General Assembly of the United Nations. That declaration is not a covenant. The Commission on Human Rights was empowered to draft a declaration of human rights, and a covenant, which in itself would take the form of a charter with a more or less binding effect upon the various member states of the United Nations which accepted and signed it, and

the commission was also empowered to carry out measures implementing the covenant after it had been signed. But so far, although eleven months have passed since the Declaration of Human Rights was accepted by the United Nations, no further successful step beyond the making of that declaration has yet been taken. And that declaration is only a recommendation to the world, particularly to the members of the United Nations.

Hon. Mrs. Fallis: Would the honourable senator permit a question? Would he tell us what stand Canada took when the declaration was presented to the United Nations?

Hon. Mr. Turgeon: I intend to do that, Senator.

Hon. Mrs. Fallis: Thank you.

Hon. Mr. Turgeon: The Commission on Human Rights has not yet agreed to the covenant or the measures to implement it; and after these things have been agreed upon by the commission, it will have to present them to the General Assembly of the United Nations for acceptance.

And now I come to the question as to what stand Canada took. To begin with, Canada was not a member of the Commission on Human Rights and Fundamental Freedoms, and when the commission first presented a proposed declaration to the Economic and Social Council—not to the General Assembly of the United Nations—Canada abstained from voting. However, when that declaration was formally presented to the United Nations, Canada voted in favour of its acceptance. That was at a meeting of the General Assembly of the United Nations, and on that occasion the Canadian delegation made a statement, which I will read by way of a direct answer to the honourable senator from Peterborough (Hon. Mrs. Fallis):

Before a vote is taken on the Draft Declaration of Human Rights in the form which it has now taken, I wish to make clear the attitude which the Canadian Government adopts, generally, towards it.

In the first place, we regard this document as one inspired by the highest ideals; as one which contains a statement of a number of noble principles and aspirations of very great significane which the peoples of the world will endeavour to fulfil, though they will make these efforts variously, each nation in its own way and according to its own traditions and political methods.

Hon. Mr. Haig: Who made that statement?

Hon. Mr. Turgeon: I am not sure who headed the Canadian delegation, but that is the official statement made on behalf of the Canadian delegation to the General Assembly, December 10, 1948. The statement continues:

So far as the position of Canada in regard to the maintenance and extension of human rights is concerned, we shall, in the future, as we have in the past, protect the freedom of the individual in our country where freedom is not only a matter of resolutions but also of day-to-day practice from one end of the country to the other.

The freedoms to which I refer have developed in Canada within the framework of a system of law derived both from statutes and from the judgments of the courts. We have depended for the protection of the individual upon the developments of this system rather than upon general declarations. Because this method is in accord with our tradition, we shall continue to depend on it and to expand it as the need may arise. While we now subscribe to a general statement of principles such as that contained in this declaration, in doing so we should not wish to suggest that we intend to depart from the procedures by which we have built up our own code under our own federal constitution for the protection of human rights.

In this regard, there is a special circumstance which applies to Canada. When some of the articles of the Draft Convention were adopted in committee the Canadian delegation abstained, explaining that the subject under consideration was in some of its important aspects within the field of provincial jurisdiction in Canada.

I pause here to direct this passage to the particular attention of honourable senators, because of the nature of the conference of January 10—a conference of federal and provincial representatives to deal with ways and means of amending the constitution.

I wish to make it clear that, in regard to any rights which are defined in this document, the federal government of Canada does not intend to invade other rights which are also important to the people of Canada, and by this I mean the rights of the provinces under our federal constitution. We believe that the rights set forth in this declaration are already well protected in Canada. We shall continue to develop and maintain these rights and freedoms, but we shall do so within the framework of our constitution which assigns jurisdiction in regard to a number of important questions to the legislatures of our provinces.

Because of these various reservations on details in the Draft Declaration, the Canadian delegation abstained when the declaration as a whole was put to the vote in committee. The Canadian delegation, however, approves and supports the general principles contained in the declaration and would not wish to do anything which might appear to discourage the effort, which it embodies, to define the rights of men and women. Canadians believe in these rights and practise them in their communities. In order that there may be no misinterpretation of our position on this subject, therefore, the Canadian delegation, having made its position clear in the committee, will, in accordance with the understanding I have expressed, now vote in favour of the resolution, in the hope that it will mark a milestone in humanity's upward march.

That quotation is from a statement made by the Canadian delegation to the General Assembly of the United Nations in December, 1948, when the declaration was adopted. As I pointed out, that declaration is simply a recommendation made by the General Assembly of the United Nations. Every member of the United Nations did not vote for it, but nobody voted against it, although there were half a dozen or so abstentions.

I have already pointed out that the Human Rights Commission of the United Nations has not yet reached agreement upon the proposed

covenant, nor upon measures of implementation. A resolution relating to the preparation of a draft covenant and draft measures of implementation was passed by the General Assembly after the declaration was issued.

The General Assembly, considering that the plan of work of the Commission on Human Rights provides for an international bill of human rights, to include a declaration, a covenant on human rights, and measures of implementation, requests the Economic and Social Council to ask the Commission on Human Rights to continue to give priority in its work to the preparation of a draft covenant on human rights and draft measures of implementation.

With one exception, that is the last quotation I intend to make, because I support the suggestion already made by the leader of the government that this motion should not be adopted, by reason of the fact that it definitely declares that the government should make certain representations to the forthcoming conference. But I desire also to show that Canada generally is in definite agreement with the aspirations contained in the declaration, and that I am sure all provinces, as well as the federal authority, will do everything humanly possible to improve present conditions. Whether such further action will require an amendment to the constitution—as I am inclined to believe—must depend on the view taken by federal and provincial authorities of the subject in its entirety as it affects Canada.

In this connection I wish to read Article 30 of the declaration. I believe that a knowledge of it would create greater confidence in the minds of members of the provincial legislative assemblies and ministers of the various provincial governments. This, the final article, reads as follows:

Nothing in this declaration may be interpreted as implying for any state, group or person, any right to engage in any activity or to perform any act aimed at the destruction of any of the rights and freedoms set forth herein.

"Herein", of course means within the declaration itself.

Now, honourable senators, I thank you for your courtesy, and would reiterate that I, like the leader of the government and others, while deeply appreciating the work which the honourable senator from Toronto-Trinity and those associated with him are doing along this line, firmly believe that at this time, in view of preparations for the conference next January, this motion should not be proceeded with. I thank you.

Hon. Iva C. Fallis: Honourable senators, in rising to say a few words on this motion, I do so more in support of the general principles enunciated in the resolution than of any particular view on the question of whether or not the resolution should be referred to the coming conference of January 10 next. I believe that the honourable senator who introduced this resolution has an open mind on that subject, but feels that this is an opportunity to have a discussion on the general principles involved. So, as a former member of the Joint Parliamentary Committee on Human Rights and Fundamental Freedoms, I should like to say a few words in addition to what has already been said, and perhaps approach the subject from a slightly different angle from that taken by my male colleague.

Encouragement to do this stems from two sources. The first is to be found in section 12 of the resolution, followed by article 4, which states:

Everyone has the right to recognition throughout Canada as a person before the law.

I perhaps have particular reason for stressing that sentence in Article 4. Since the right of appeal to the Privy Council has been abolished, and since it has been decreed that it would be unwise to have the rule of *stare decisis* with regard to previous decisions of the Privy Council written into our statutes, it is comforting to know that if this resolution ever becomes embodied in the constitution of Canada, members of my sex will still be considered "persons".

Hon. Mr. Haig: Hear, hear.

Hon. Mrs. Fallis: The second source from which I derive encouragement is the preamble to the charter of the United Nations, which affirms belief in equal rights of men and women the world over. And the delegates to the United Nations have taken action toward recognizing this faith in a tangible way. In February 1946 the Commission on Human Rights, whose president at that time was Mrs. Eleanor Roosevelt, appointed a subcommission to make a survey of and recommendations concerning the status of women, and its report was turned in to the Commission on Human Rights in the spring of 1946. I should like honourable senators to listen to one of the subcommission's main recommendations. I must confess that I read it with a smile. It says:

Members considered that the work of the subcommission should last until the point had been reached where women the world over were on an equal footing with men in all fields of human endeavour.

Well, that is wonderful theory, but if the members of that commission sit until it is achieved in actual practice, they will have imposed a life sentence upon themselves and their successors.

That women have an interest which is certainly equal to that of men in the whole question of peace and war—which, after all, is the basic issue underlying all foreign policy —is, I think, conceded by everyone. That

being the case, it seems to me only logical that every country should give its women adequate representation at all international gatherings.

We in this country are inclined to be rather smug about our thinking, which we believe to be advanced as compared with that of a country such as, say, India. Yet while Canada has this year for the first time sent a woman delegate to a meeting of the United Nations General Assembly—my colleague from Rockcliffe (Hon. Mrs. Wilson)—

Some Hon. Senators: Hear, hear.

Hon. Mrs. Fallis: —the fact is that for two or three years India has had women representatives at the United Nations Assembly. Not only that, but last year the delegation from India was headed by a woman, in the person of Madam Pandit, sister of Prime Minister Nehru of India; and, as honourable senators know, she has since been appointed Ambassador from India to the United States. Just in passing, I might also call attention of honourable members to the fact that the women of Canada did not receive the franchise until after the First World War, although many years prior to the outbreak of that war Finland, Norway and New Zealand had granted to the women of their respective countries full political equality with men. I do not know that we in Canada have anything to be very complacent about in this respect.

The latest report from this subcommission of the United Nations tells us that women are serving with cabinet rank in eleven countries, and in many instances have also diplomatic recognition as ambassadors and ministers to foreign lands. Finland, incidentally, was the first country in the world to grant suffrage and representation in parliament to its women. Today, forty of Finland's two hundred members of parliament are women, and one of these women has been chosen by the President to be Minister of Health, Welfare and Social Services. So it would appear to me that in the matter of human rights as it pertains to recognition of women as persons, without discrimination as to sex, Canada lags sadly behind some other countries.

The honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) spoke of the fact, which was also referred to by the honourable gentleman who preceded me (Hon. Mr. Turgeon), that very little, if anything, was accomplished by the joint committee of both houses on Human Rights and Fundamental Freedoms. I agree with that statement. It seemed exceedingly difficult to get started in that committee. I recall asking at either the first or second meeting of the committee if we could be given the United Nation's definition of fundamental freedoms, so that we would have at least something tangible towards which to work, and I was told that up to that time the United Nations had not been able to agree upon a definition which would be acceptable to the various participating countries. I think we can readily understand that. Ideas of what constitutes freedom vary widely in different countries. But while we in Canada may not be able to influence directly the thinking of people in those countries whose ideology is different from ours, there is much that we can do in our own land. We can, as has been suggested in this resolution, embody in our laws, we can embody in our national way of life, all those ideals of human rights in which we profess to believe and to which we so glibly give lip service, but which we often are slow in putting into practice.

May I give just one example? The Joint Parliamentary Committee on Indian Affairs, of which I was a member, held sittings over a period of three years. I think members of this house who sat with me on the committee will agree that the briefs presented to us and the evidence given by witnesses representing various Indian bands from coast to coast showed that by no stretch of the imagination could it be said that in our treatment of these Canadians of Indian descent we have always embodied all the principles of human rights of which we now talk so freely.

On the question of protection of individual rights against governmental encroachment, the honourable senator who introduced the resolution (Hon. Mr. Roebuck) made the following statement, as reported at page 217 of the Senate *Hansard*:

> The present generation of Canadians have been through two great wars, periods of stress and crisis in which the safety of the nation overshadowed for the moment the rights of the individual, and in which our organization for total war necessitated an economic planning and control to an extent previously unknown. The danger now is that these encroachments on individual rights may become permanent.

To show that this tendency is not confined to Canada, may I read you a short paragraph from an editorial in a recent issue of *Saturday Night*, published in Toronto, entitled "Freedom is Important":

> The keynote of the great speech made by General Dwight D. Eisenhower in the recent *Herald-Tribune* Forum in New York was the call to every American "to consider, so far as each of us can, the probable effect of every new governmental proposal upon our personal freedom." There is no task to which Americans and Canadians alike more greatly need to be called in this bewildering age. There is no task to which less attention is being given.

Here then, both in the statement made by the honourable senator from Toronto-Trinity and the statement made by General Eisenhower, and the comment on General Eisenhower's statement by *Saturday Night*, lies

one of the main reasons why it is necessary to call this matter to the attention not only of members of this house but of the public at large.

Turning just for a moment to another phase: the honourable senator who leads this house, in speaking to this resolution had this to say, as recorded on page 246 of the Senate *Hansard*.

He spoke of the service which the honourable senator from Toronto-Trinity had rendered in bringing this question to the attention of the house. Then he said:

> He has rendered a contribution particularly to that class of people whom I may call new Canadians, who perhaps are not quite as impressed as the rest of us with the principles and traditions behind our constitution, and who may wish to see some provisions written into our statutes.

I think that is very true. The conditions under which the great majority of these new Canadians lived before coming to Canada were certainly, to put it mildly, not conducive to engendering a feeling of trustfulness in people for the future or a ready acceptance, as true, of what they may say. For, after all, these people who have come to us from other lands came here to escape from something. They came to escape from war, from hunger, from oppression of various kinds, from laws which were tyrannical in themselves. And in this, as I see it, history is only repeating itself. They share in that respect the experience of a great many of the early settlers who came to Canada. Any student of early Canadian history must be impressed by the fact that Canada was built by people seeking homes. It is quite true that our histories lay the greatest stress upon the comparatively few who came to trade or to explore, such as Champlain in the East, or the Gentlemen Adventurers of Hudson Bay in the West. But the greater number of the early settlers of Canada came here to escape from something and to found homes in a land of freedom—exactly what the new Canadians are doing today. To these early settlers of the past we can think back, and whether it was the first French settlers who came to Quebec —Louis Hebert and his wife, who fled from France in 1617 and were aided by Champlain to establish a home in Quebec; whether it was the United Empire Loyalists, who were exiled from their homes in the United States and came here to find a haven; whether it was the Scottish Catholics who fled the persecution and the fury of the Protestant Covenanters, or the French Huguenots who fled to escape Catholic persecution; whether it was the evicted Irish peasantry, who fled from the tyranny and oppression of absentee English landlords, or Selkirk's Scottish settlers, who left the incredible poverty of their homeland; whether it was the Jacobites who came with tragedy in their hearts to this new land, a place where neither the House of Orange nor the House of Stuart could trouble them any more; we know that no matter why or whence they came, they came with one urgent desire in their hearts—to find a new home in this land of freedom. And I think we can say today of them, as we say of the Fathers of Confederation, "They builded better than they knew", because today their descendants enjoy the priceless heritage of being citizens in this great land, which was described by the honourable senator from Toronto-Trinity as being the freest nation upon earth. I am sure that the men who drafted this resolution which is before us, who prepared its various clauses, did so with one thought in their hearts—that there should be no deviation from and no encroachment upon that freedom which was so dearly won.

The honourable senator from Toronto-Trinity made an observation that a vigilant and informed public opinion was one of the greatest safeguards of freedom; and that recalled to me a speech made by Lincoln with which many of you are familiar, a speech on the value of public sentiment, in which he said:

> On this and like occasions, public sentiment is everything. With public sentiment nothing can fail; without it nothing can succeed; hence, he who moulds public sentiment goes deeper than he who enacts statutes or pronounces decisions.

And so I look at this resolution as presenting a challenge, an opportunity to us as senators, to help mould public opinion along the lines suggested, so that the hard-earned and dearly-bought freedoms which we enjoy may always be preserved. We can meet it by, first, familiarizing ourselves with the contents of the resolution, and then, by taking advantage of every opportunity which comes our way to help mould public sentiment towards the desired end.

On motion of Hon. Mr. Gouin the debate was adjourned.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, November 16, 1949

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

Prayers and routine proceedings.

ANIMAL CONTAGIOUS DISEASES BILL

SECOND READING

On the Order:

Second reading of Bill 147, an Act to amend the Animal Contagious Diseases Act.

Hon. Mr. Robertson: Honourable senators, I have asked the honourable senator from King's (Hon. Mr. McDonald) to handle this bill.

Hon. J. A. McDonald moved the second reading of the bill.

He said: Honourable senators, this is a bill to amend the Animal Contagious Diseases Act, which is Chapter 6 of the Revised Statutes of Canada, 1927. The Act was first passed by parliament in August 1903. The Federal Department of Agriculture, under both Liberal and Conservative governments, with the co-operation of provincial departments of agriculture and, in many cases, of farmers' organizations in the provinces, have done a truly great work in public health in carrying on during the years under the provisions of this legislation. I am sure honourable senators will agree that in this way much has been done to prevent the importation of diseased stock and in cleaning up our herds of diseased animals. The department has actively tried by one means or another to remove many contagious diseases, and has accomplished a great deal; but I cannot help feeling that so far as Bang's disease is concerned the departmental policy has perhaps not gone far enough in cleaning up our herds throughout Canada. I know some districts that are still heavily infested with Bang's disease. As honourable senators know, humans who drink milk from cows infected with Bang's disease may contract undulant fever, which causes a lot of human suffering and, in some cases, death. Bang's disease can be pretty well controlled by vaccinating the cows and by the carrying on of work among herds throughout farming communities, under the direction of the department. I feel that in order to successfully clean up Bang's disease the department may have to adopt a policy similar to that followed for control of tubercular cattle, and offer some compensation for the reactors.

The purpose of this bill is to provide additional compensation to the owners of cattle which when tested are found to have bovine tuberculosis, and whose carcases when sent to the slaughter house are condemned as unfit for human consumption and sent to the tanks. Up to the present time the only compensation given to owners of such carcases, when condemned as unfit for food, has been the price of the pelts, which has averaged about $10. If this measure which we have before us today is approved, in future the carcases which are tested for bovine tuberculosis and condemned as unfit for consumption and sent to the tank, will be paid for on the same basis as other reactors which have been similarly tested, but whose meat has not been injuriously infected and is sold to abattoirs as canners or cutters. I believe that the present price for that meat is about 11 cents a pound.

Since April 1, 1947, the average compensation received by the farmer for animals that have reacted to the bovine tuberculosis test has been about $60 per head for the meat, plus from $38 to $40 paid by the Minister or someone appointed to represent him under the Act.

This bill proposes to repeal paragraphs (a) and (b) of subsection 2 of section 14, and also section 15 of the Act. These sections 14 and 15 have to do with the fixing of the maximum price which may be paid by the minister or his representative for animals that are diseased. These changes honourable senators, will not affect the maximum amounts paid on horses and cattle.

Paragraph (a) of section 1 of the bill provides that a maximum amount of $200 will be paid for pure-bred animals, and $100 for grade animals. For the benefit of the honourable member from Blaine Lake (Hon. Mr. Horner), I may say that for the purposes of this legislation "pure-bred animals" means registered and standard-bred animals. Paragraph (b) states that in the case of cattle $100 will be paid for a pure-bred animal and $40 for a grade animal.

Some increases are allowed for sheep and swine. In the case of swine the allowance is $50 for a pure-bred animal and $30 for a grade animal. This is an increase of $15 for grade carcasses. In the case of sheep, the bill provides for the payment of $50 for a pure-bred and $20 for a grade animal. The latter is a small increase of $5 a head.

If the bill is passed, section 3 will give the department the authority to pay for carcasses consigned to the tanks the compensation which I have mentioned, retroactive to April 1, 1947. On inquiry as to why that date was selected, I was told that during the recent war years very little testing was carried on

because it was almost impossible to get experienced and skilled veterinarians to do the work; and that from about April 1, 1947, area testing was resumed. Since that time the authorities have found a great many reactors, especially in some of the beef areas where testing was not done previously.

I have not all the information before me in detail; but I remember either reading, or being told by one of the federal officials, that there were some 5,369 reactors the carcasses of which, when slaughtered, were condemned and sent to the tanks. As I explained previously, the only salvage the owners would get on such animals would be the value of the hides, an average of about $10 each.

Hon. Mr. Horner: They would not make margarine out of those, would they?

Some Hon. Senators: Oh, oh.

Hon. Mr. McDonald: Honourable senators, the meat of those animals is condemned as unfit for consumption in any form.

I understand, that from April 1, 1947, to September 30 of this year some 55,000 animals have been destroyed following the tubercular testing. Compensation has been paid in the amount of approximately $2,050,000, which is an average of about $38 per animal. In addition, the owners of that stock—excepting those who owned the 5,300 odd head which went to the tanks—received the meat value of the animals as canners or cutters, about $60, plus the $38 to $40 paid by authority of the Act. In other words, the owners of that stock received an average of about $100 per head.

Should further information be required, I would suggest that after the bill receives second reading it be referred to the Standing Committee on Natural Resources.

Hon. Mr. Horner: Honourable senators, I think it scarcely necessary to refer the bill to committee. It is an important measure, and I can understand, as has been explained by the honourable senator for Kings, the reasons for making certain payments retroactive to April 1, 1947. I agree with my honourable friend that there have been a great many reactors during the past two years, and I look forward to the day when all cattle in Canada will be tested for tuberculosis and Bang's disease. This procedure is not only in the interest of the health of animals, but also of the health of the people.

From my knowledge of the livestock industry, I entirely approve of the bill.

Hon. Mr. Reid: Before this bill gets second reading, I should like to ask one or two questions. Perhaps the answers could be delayed until the committee meets.

What astonishes me about the bill is the change that has taken place in the amounts allocated as compensation for the slaughtering of certain classes of animals. If you look at the sections which are being repealed, you will see that in the case of pure-bred animals, the amount payable is reduced from $300 to $200, for each horse, and from $150 to $100 for each head of cattle. There is a change in the new section whereby pure-bred cattle are segregated from grade cattle; but in my opinion the prices now offered are wholly inadequate. For instance, take the reduction from $150 per head to $100 in the price to be paid to the farmer for pure cattle. I know that in the province of British Columbia grade cows are selling just now at $250, and purebreds at prices up to $500. While under this section you propose to reduce from $150 to $100 the amount payable to the farmer for horses, you allow him $50 for a pure-bred ram. In other words you are going to pay him more than he could get on the open market were he to sell that ram alive for breeding purposes. As one who knows something of what he is speaking about, I would like more information on the matter.

Hon. Mr. McDonald: As I said in trying to explain this bill, there is no change in the maximum compensation that can be paid by the Department of Agriculture. Under legislation in force since 1923, the figures mentioned by the honourable senator who has just taken his seat are correct, namely $300 in the case of pure-bred horses and $150 for grade animals. But section 15 of the Act—which is to be repealed—went further and provided that the compensation was to be only two-thirds of that maximum. The minister could not pay any more. So on the basis of two-thirds of these amounts—$300 and $150—we arrive at the figures named in paragraphs (a) to (d) of section 1 of the bill before us. There is no change, by way of reduction, and there has been none since 1923; in fact, this bill will allow of small increases for swine and sheep.

Hon. Mr. Horner: Yes. As I understand the bill, the owner of a reactor which is still fit for beef, will get this compensation as well as whatever price the animal brings on the market.

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

REFERRED TO COMMITTEE

Hon. Mr. McDonald moved that the bill be referred to the Standing Committee on Natural Resources.

The motion was agreed to.

CUSTOMS BILL

SECOND READING

On the Order:

Second reading of Bill D-6, an Act to amend the Customs Act.

Hon. Mr. Robertson: I have asked the honourable senator from Inkerman (Hon. Mr. Hugessen) to look after this bill.

Hon. A. K. Hugessen moved the second reading of the bill.

He said: Honourable senators, except for section 1, this is a simple bill, and its provisions are not of an important character. Section 1, which I am sure will appeal to all honourable senators, will have the effect of decreasing to some extent the customs duties leviable upon the importation of certain commodities into Canada. It is designed in particular to assist Great Britain to export certain commodities more freely to this country, under circumstances which I shall outline in a moment.

Section 1 of the bill amends section 35 of the Customs Act by adding to it a new subsection which reads as follows:

The Governor in Council may order that import duties of a country of export shall be disregarded, in whole or in part, in estimating the value for duty of goods of any kind imported into Canada from a country specified in the order.

Honourable senators will see from reading this subsection that it relates only to goods which originate in one country, are exported from that country to a second country, at which time customs duties are imposed, and are later exported from the second country to Canada. The particular class of goods which this legislation is designed to cover is for the most part liquors.

Hon. Mr. Haig: Did you say liquors?

Hon. Mr. Hugessen: Yes.

An Hon. Senator: This will be interesting.

Hon. Mr. Hugessen: I am advised that West Indies rum and Irish whiskey are imported in large bulk quantities by England, that they are aged and bottled in England, and thereafter are exported to Canada. The same is true of ports and sherries which are exported, respectively, from Portugal and Spain to England and of certain South African and Australian wines which are imported into England, bottled in that country, and thereafter exported to Canada.

Under the present customs legislation, when those commodities are imported into Canada they are valued for customs duty and sales tax by adding not only their original value when imported into England, but also the extremely high customs duties which England imposes upon these importations. These duties are very largely not customs duties at all, but are really excise duties and luxury taxes.

Hon. Mr. Horner: Is it not also true that these commodities are imported in bulk into Canada, and are watered in Canada and then sold?

Hon. Mr. Hugessen: My honourable friend from Blaine Lake is a better expert on watered stock than I am.

As a consequence of the practice I have outlined, these commodities when imported into Canada, are subject to customs duties and sales tax based on the inflated value resulting from the addition to the original value of the large customs duties imposed upon them in England. As I say, this in fact is really a luxury tax.

The section provides that in cases of this kind the Governor in Council, in fixing the value of these commodities for import duty and sales tax in Canada, may, by regulation, disregard in whole or in part these so-called customs duties that have been imposed on another country. This will mean that it will be easier for Great Britain to export more of these commodities to Canada; there will be less sales tax to pay on them when they enter this country, and to that extent it will help British exports to Canada.

Hon. Mr. Crerar: Is there any guarantee that the price to the ultimate consumer in Canada will be correspondingly reduced?

Hon. Mr. Hugessen: I am afraid that I cannot give such a guarantee. What happens of course is that when these commodities enter Canada, after the Dominion has dealt with them they fall into the hands of the provinces and the provinces impose quite substantial taxes upon them. Although the customs duties and sales taxes imposed by Canada will be reduced—if and when the Governor in Council makes regulations in accordance with this section—I am afraid that I cannot give my honourable friend from Churchill (Hon. Mr. Crerar) any guarantee that there will be a reduction in the price to the ultimate consumer in Canada.

Hon. Mr. Beaubien: When these commodities come into Canada after passing through Great Britain, do they bear the designation of their country of origin?

Hon. Mr. Hugessen: They go first from their country of origin to Great Britain, and after processing or bottling there, they are exported from Great Britain to Canada.

Hon. Mr. Beaubien: Do they preserve the identity from their country of origin?

Hon. Mr. Hugessen: I do not quite understand my honourable friend's question. They are very often processed, bottled and matured in England.

Hon. Mr. Beaubien: Do they then come into this country as English goods?

Hon. Mr. Hugessen: Yes, and the point is that they have to be valued for customs and sales tax purposes in this country on the basis, not of their original value, but on their original value plus the large excise taxes put upon them in Great Britain when they are taken into that country.

Hon. Mr. Beaubien: How do we determine the original value?

Hon. Mr. Hugessen: This is established in the same way as the customs duties. The invoice will show what the original value was.

Hon. Mr. Moraud: Would this legislation apply to raw material manufactured in England and exported to Canada? I have in mind such commodities as textiles.

Hon. Mr. Hugessen: No. It only applies to goods imported into one country and exported from that country to Canada.

Hon. Mr. Moraud: Then that should apply in the case of textiles imported into England, manufactured there, and then exported to Canada.

Hon. Mr. Hugessen: That is true. It might apply in that case, but I doubt whether the Governor in Council would take advantage of this section in the matter of textiles, because they are not subject to the enormous and excessive customs duties I have referred to.

Hon. Mr. Euler: Why do they not enumerate the commodities to which this section will apply?

Hon. Mr. Hugessen: I suppose it is because the circumstances may change from year to year, and the class of commodity sought to be covered by this legislation might vary from time to time.

Honourable senators, this is the only section of the bill which I think is of general interest. The other sections are more or less matters of mechanics. Two sections result from the fact that the old Act refers to an Assistant Commissioner of Customs, and that the position has been abolished. Section 4 of the bill provides a simple means by which, in the case of seizure by the Customs authorities, an innocent person who may have some interest in the seized article, such as a motor car or a ship, may present his claim before the courts of the country.

Hon. John T. Haig: I want to thank the honourable senator from Inkerman (Hon. Mr. Hugessen) for his splendid explanation of this bill. I read the bill fully, but I did not appreciate how far it goes.

Honourable senators, it is not a good principle in legislation, especially in tariff legislation, to give the government power by order in council to reduce the tariff, unless the items are set out.

Hon. Mr. Euler: They have that power now.

Hon. Mr. Haig: Yes, but why should we continue a bad practice, especially in a case like this, where there is such a wide difference of opinion? I am not sure that the people of Canada are so anxious to help trade with Great Britain that they will want to do this thing. I can understand a desire on the part of our people to increase trade with Britain in commodities that are largely processed in that country, but I am not at all sure that they are anxious to build up the kind of trade which has been referred to. A good deal of joking is done about the commodity mentioned, but many people are opposed to its use, and there is being spent upon it a lot of money which in a year or two we may wish we had not spent. It seems to me it would have been better for the government to have set out in the bill just what it intended to do. It is not necessary to have a cabinet committee to decide whether liquor is to be admitted at lower rates than at present—and what this bill really amounts to is a reduction in the taxes on the admission of liquor into this country. I do not know whether the house wishes to vote in favour of that kind of proposition or not. I am speaking for nobody but myself, and I feel that liquor is not one of those commodities whose importation should be increased. If we wish to increase our purchases from Britain, let us buy more goods whose purchase price will be distributed among people employed in manufacturing industries over there.

I do not see why there should be a reduction in the Dominion Government's tax on liquor, unless the present tax is abnormally high. I think that as a matter of fact it is abnormally high, and that the provinces also make a very substantial profit on the business. The probable effect of this measure will be to increase the provincial revenues from liquor. The liquor commissioner in Manitoba, who is a very honest man, admitted that the province—as was pointed out by my honourable friend from Blaine Lake (Hon. Mr. Horner)—dilutes its whisky with water, and therefore has more to sell. The minister was asked in the legislature at

Winnipeg: "What are you going to do about it?" He said: "Nothing. We need the money."

I do not think the bill will increase Canadian business by one dollar, and in any event I would not want to see any increase in the liquor business. To speak candidly, I personally would not be in favour of it. People who buy liquor can afford to pay for it, and it is a good source of revenue. It is a much better thing to tax than personal enterprise and ability, upon which our present taxation law bears so heavily.

I wish to make it clear that I am speaking, not for my party at all, but for myself alone, and that I am not very happy about the proposed amendment. To be quite frank, I am very unhappy about it.

Hon. Mr. Lambert: May I ask the honourable senator from Inkerman (Hon. Mr. Hugessen) if there is any particular reason why rum should not be imported directly from the West Indies instead of being routed by way of the British Isles? I know that sherry comes from England, because it is blended there. Rum has to do with the subject of West Indies trade, which we were discussing a day or two ago, and I had understood that Bacardi and certain other brands came into this country direct from the West Indies.

Hon. Mr. Hugessen: I am unable to give a definite reply to my honourable friend, but I take it that Great Britain has had many hundreds of years' experience in ageing and bottling rum, and that a good deal of the West Indies rum imported into this country was first shipped to Britain to be processed.

Hon. Mr. Lambert: A few years ago I happened to be in Cuba, and I was told by the Bacardi people there that the strength of rum depends, not upon ageing, but upon a process used in the manufacture. I may be wrong in this, but my understanding is that ageing is not necessary for rum, though it may be for some other liquors.

Hon. Mr. Haig: Scotch whisky, for instance,

Hon. Mr. Roebuck: I should like to call attention to another point. In the past Great Britain's commercial supremacy was based upon the purchase abroad of raw materials, which were imported, processed, and then shipped to other countries. That was done under the old-time policy of free-trade. But that policy was abolished. England went back on the ancient principles of Cobden, Bright and others, and imposed tariff taxes. My honourable friend says that the commodities covered by this bill are, upon entry into England, subjected to excise and other taxes, including luxury taxes—to the point, I presume, where the trade is being killed by taxation. Now, as I understand it, we are asked to reduce our taxes in order that Britain may maintain hers. I am not at all sure that a reduction in our federal taxes on these commodities will be followed by an increase in provincial taxes. Rather, this reduction might permit Britain to maintain—or even increase—taxes which otherwise circumstances might compel her to decrease.

Quite aside from the commodities themselves, I do not know that I like the principle involved in the bill. I am, of course, in favour of reducing taxes, particularly tariff taxes. I never did like them and I never will.

Any reduction in tariff taxes is always welcomed by me, but I do not like the reason for this reduction.

Hon. Mr. Baird: Honourable senators, I think Newfoundland has perhaps a unique method of processing wines. English houses that put up port wine ship it in pipes, as they are called, from Oporto to Newfoundland, where the wine is aged for a period of six months or a year. It is then re-exported to England, to be bottled and sent out under the respective firms' names, one of which, Newman, is perhaps known to everyone here. Rum also is aged, in wooden casks, and the trip across the sea from the West Indies to England would undoubtedly have a beneficial effect upon it.

Hon. Wishart McL. Robertson: Honourable senators, I confess that I have no detailed knowledge of the bill which has been explained by my honourable friend from Inkerman (Hon. Mr. Hugessen). Additional information on points that have been brought up might be obtained from the department. The effect of the bill may be largely confined to the items that my honourable friend mentioned, although I do not think the intention was that it should be confined to these exclusively. I suppose that the abnormally high excise taxes imposed on goods imported into Britain for export later would of necessity apply only to those that are to be processed, for otherwise they would no doubt be allowed to remain in bond in order to avoid the payment of any excise tax whatever upon them in Britain. Apart altogether from the question of whether it is desirable for people to consume more or less liquor, the bill gives the Governor in Council authority to pass regulations under which there may be fixed a much lower value for duty purposes than may be fixed under the present

law. Regardless of the individual item concerned, I think it is desirable to have a lower value for duty purposes. Otherwise we create hidden tariff protections, such as the United States employs, and about which we are so critical. I am rather intrigued about the amount of hidden tariff protection there is in our own Canadian regulations, and I should like to see the principle embodied in this bill extended, for the sooner that is done the better will be our economic structure.

Whether the provisions of the bill would apply to items other than liquors, as was suggested by the honourable senator from La Salle (Hon. Mr. Moraud), I cannot say definitely; but the point raised is a pertinent one. Undoubtedly the bill would have the effect of reducing tariffs on goods coming to Canada from Great Britain.

Hon. Mr. Moraud: I do not see that section 1 of the bill applies particularly to liquor. It is a very general provision that we are placing on our statute books, and although I am sure that the present government will apply it for the protection of our industries and the labour employed in those industries, I point out that this law will probably remain on our statutes for a long time, and it might be wise, therefore, to consider it further in committee and make sure that it does not apply to such industries as the textiles industry. We have already heard that the woollen industry is very much perturbed about the competition of British-made goods. In the case of woollens, the raw material is imported into England, manufactured there and exported to this country, where it competes with the product of a very prosperous industry. The same principle would apply to cotton textiles. The British manufacturer imports his raw materials from our neighbour to the south, or from Brazil or Egypt. He then manufactures cotton goods, which, if exported to this country, might ruin a large labour-employing industry in Canada.

I repeat that it may be wise to refer this bill to a committee for further study.

Hon. W. D. Euler: Honourable senators, as was explained so well by the senator from Inkerman (Hon. Mr. Hugessen), the purpose of the legislation is to make it easier for the British to export goods to Canada. The ultimate purpose, I suppose, is to provide Great Britain with more dollars.

The thought occurs to me that England could lower the cost price of her raw materials by reducing her import tariffs and excise duties—if that is one factor which contributes to the cost on which we charge so high a duty—and the goods would then come to Canada at a lower price. This would not affect England's efforts to get more dollars. That seems to me to be the logical way to handle the problem.

Hon. Mr. Quinn: The answer is that she needs the money.

Hon. Mr. Euler: If England would reduce the costs on her side, instead of asking Canada to lower its tariff, she would get just as many Canadian dollars.

Hon. Mr. Ross: Honourable senators, this is an important bill, and notwithstanding the lucid explanation made by the honourable senator for Inkerman (Hon. Mr. Hugessen), I for my part should like to have more time to study it. Copies of the bill have been distributed to us only since we came into the chamber this afternoon, and I think the bill deserves more study.

I am not sure that I will speak on the bill, but I now move the adjournment of the debate so that I may consider it further.

The motion of Hon. Mr. Ross was agreed to, and the debate was adjourned.

SURPLUS CROWN ASSETS BILL

SECOND READING

On the Order:

Second reading of Bill E-6, an Act to amend the Surplus Crown Assets Act—(Hon. Senator Robertson).

Hon. Mr. Robertson: Honourable senators, I have asked the honourable senator from Carleton (Hon. Mr. Fogo) to handle this bill.

Hon. J. G. Fogo moved the second reading of the bill.

He said: Honourable senators, the Surplus Crown Assets Act was passed in 1944 for the purpose of providing machinery for the disposal of surplus Crown property, and was not limited to surplus war assets. The purpose of the bill now before us is to continue on a peacetime basis the arrangement which originated under the 1944 statute for the disposal of such property. It is intended that the Act shall continue in operation in order to provide for the disposition of Crown assets as they become surplus. The amendments contained in this bill bring the Act up to date for operational purposes, and embody certain provisions which experience has shown to be desirable.

Prior to World War II there was no single agency of the government for the disposal of excess property. Each department disposed of its own. The government is now satisfied that a separate agency for this purpose is good business and in the public interest. The agency must of course continue to do the job of disposing of war surplus assets.

The present Act created two bodies. One was the Crown Assets Allocation Committee, the function of which was to advise, first, the minister, and second, the War Assets Corporation, which was the actual selling agency. The committee has functioned since 1944. It has dealt with the orderly reporting of surpluses by government departments, the reception and consideration of such reports, and the making of specific recommendations to the War Assets Corporation regarding the disposal of property. The committee also has settled certain procedures to be followed by government departments in making reports of surpluses, and has dealt with such reports as I have mentioned, in most cases by transferring the property to the War Assets Corporation for disposal. Having regard to the volume or quantity and the wide variety of the property which became surplus at the end of the war, it was thought desirable in setting up the Crown Assets Allocation Committee to make it a representative body. Consequently, pursuant to the original Act, appointments were made to this committee of representatives of labour, and agriculture and of consumers or householders, as well as of a number of government departments.

By the year 1949 the work of this committee had diminished to such an extent that it was found to be no longer necessary, and its function was temporarily transferred by order in council to the directors of the War Assets Corporation. In other words, the directors became the committee. In the bill before us, all references to the Crown Assets Allocation Committee which were contained in section 5, 6, 7 and 8 of the Act of 1944 are repealed, as the committee no longer functions.

The other principal amendments are concerned with the definitions of "government department", "surplus Crown assets", and the change of name of the disposal agency from War Assets Corporation to Crown Assets Disposal Corporation. In clause 1, the expression "government department" is re-defined, to make it clear that "government department" includes not only a department of government, but other boards, commissions or agencies which are representing the Crown in right of Canada; and that certain agencies, including the Canadian National Railways, the Canadian Broadcasting Corporation, the Bank of Canada, the Industrial Development Bank, and Trans-Canada Air Lines, are specifically excepted from the definition and hence from the application of the bill.

The bill also re-defines "surplus Crown assets". The earlier definition was found to be a bit awkward, and perhaps to some extent ambiguous. At any rate, whatever doubt there was about what constituted "surplus Crown assets" has been cleared up, I think by the proposed definition, whereby the term is made to mean property which a department shall report as surplus to the minister. So now the question of what is or is not a surplus is a matter for the department concerned: it becomes a surplus and comes under the operation of this Act only when the department declares it to be so.

In clause 2 of the bill, which is a re-draft of section 3 of the original act, there are certain exceptions set out. The effect of the amending bill, therefore, is to place all surplus Crown assets, other than those excepted under the amending bill, in a position where they will be dealt with by the disposal agency.

The other principal amendment, which is to be found in clause 5, is to change the name of the continuing body from "War Assets Corporation" to "Crown Assets Disposal Corporation".

Although all honourable senators have had, and I have no doubt read, the last annual report of the War Assets Corporation, I thought they would be interested in the latest figure showing the gross sales of the company from the commencement of its operations to October 31st. These sales amount to $462,189,991. I am informed that the property now remaining in the hands of the corporation consists largely of land, some of it in small parcels and in somewhat remote places, and not as readily saleable as that part which has been disposed of.

Hon. Mr. Quinn: What is the estimated value of these unsold lands?

Hon. Mr. Fogo: I have not the figure here. I think it could be obtained. I am told that in the main these parcels are in British Columbia and the Maritime Provinces.

Hon. Mr. Haig: They would not be worth much!

Hon. Mr. Fogo: I think it is fair to say that if they were worth very much they would have been disposed of. It may also be interesting to honourable senators to know that the total number of employees of War Assets Corporation which at one time in 1946-47 reached a maximum of 10,371, is now reduced to 154. The operations, as honourable senators will probably recall, were broadly decentralized, and for a time the company operated right across the country. A reverse action has now taken place, and practically all the company's operations are consolidated in Ottawa, with sales representatives in Halifax, Toronto, Calgary and Vancouver.

Hon. Mr. Euler: Not Winnipeg?

Hon. Mr. Fogo: No; I think only in the places that I have mentioned.

Hon. Mr. Hugessen: The important places!

Hon. Mr. Haig: I notice that Montreal was not mentioned.

Hon. Mr. Quinn: Nor Winnipeg.

Hon. Mr. Haig: We have no surplus assets in Winnipeg.

Hon. Mr. Fogo: At one time the chief place of business was in Montreal. It was removed to Ottawa.

Hon. Mr. Haig: They got out as soon as they could!

Hon. Mr. Fogo: Incidentally, this bill changes the place of the company's head office from Montreal to Ottawa.

I think there is only one other item in which honourable senators may be interested, and that is that the sales for the current fiscal year are estimated to amount to $12 million.

Hon. Mr. Haig: Does that money go into current account?

Hon. Mr. Fogo: I believe that the amount realized from sales is turned over to the Receiver-General and becomes part of current revenue.

Hon. Mr. Haig: And the $400 million received for property already sold have gone the same way?

Hon. Mr. Fogo: I think so.

Hon. Mr. Euler: Naturally. Why not? Where else could the money go?

Hon. Mr. Fogo: To sum up: I submit that the bill, as I have pointed out, is intended to simplify the machinery and to continue an agency which experience has shown to be useful and efficient for the purpose for which it was designed.

Hon. Mr. Roebuck: I wonder whether my honourable friend is sure that all the money which has accrued from sales of assets has gone into current account? I very much doubt it. The War Assets Corporation has been selling all kinds of things—commodities, and as has been pointed out, lands in British Columbia and elsewhere. Surely the proceeds of land sales go into capital account.

Hon. Mr. Haig: No, it has all gone into the current account.

Hon. T. A. Crerar: Honourable senators, we have had quite a clear explanation of this bill, but I presume that it will be sent to committee for further study. It seems to me that it is important to scrutinize the powers that may be granted to those who will administer this legislation.

Section 7 of the bill provides:

Section 12 of this Act is repealed and the following substituted therefor:

(1) The minister may authorize the corporation to exercise or perform any or all of the functions, powers or duties of the minister under section five.

That is not of particular importance, but subsection 2 reads:

(2) Subject to specific or general instructions of the minister, the corporation may

(a) convert surplus Crown assets to basic materials;

Does this mean, for instance, that the corporation could set up a factory of some kind to process or do something with assets that may be transferred to it?

Then paragraph (b) reads:

(b) purchase, lease or otherwise acquire real or personal property for the purpose of its operations and sell, lease or otherwise dispose of such property;

What is the significance of the corporation being given power to "purchase, lease or otherwise acquire real or personal property"? Under the powers of government are we proposing to establish a new processing or manufacturing company?

Then paragraph (c) reads:

do such other acts and things as the board may deem incidental or conducive to the attainment of its objects or the exercise of its powers.

Honourable senators, I am not opposing the measure, but I suggest that we should obtain further information on these points when the bill is before committee. It seems to me that we are creating quite a number of Crown companies of one kind and another. Usually, when such companies are created, the intention is that they shall perform a specific duty and then pass out of existence. These companies are really designed to meet emergency conditions, but we must be on guard against placing them on such a basis that they will be with us permanently.

Government today is an extraordinarily complex business. It is so complex that it is getting beyond the grasp of the ordinary citizen, and I am old-fashioned enough to believe that one of the prime needs in carrying on a democratic government is to keep legislation in as simple a form as possible. I am not criticizing this measure, but I think we should be given a full explanation when it goes to committee.

Hon. Thomas Reid: Honourable senators, I agree with the honourable senator from Churchill (Hon. Mr. Crerar) that this is an important bill. Personally I do not feel we have enough information before us to pass the bill at this time. Honourable senators will recall that at the conclusion of World War II the War Assets Corporation was set up to dispose of the hundreds of millions of dollars

worth of property which Canada had bought and acquired during the war. When the War Assets Corporation was established, it was looked upon as a temporary board.

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Reid: Its purpose was to dispose of this property, and then it was to be dissolved. However, it looks as though the War Assets Corporation, like many other government boards, is going to be perpetuated.

From a brief reading of the bill I take it that this corporation will dispose not only of property left over from the war, but of all surplus property from other government departments. Up to the present time I believe the various government departments, by auction or otherwise, have disposed of their own property; but as I see it, we are now going to delegate certain authority to a single government agency, and this agency will be perpetuated. I for one am frank to say that I have not enough information to agree to the passing of this legislation now.

Hon. Mr. Haig: May I ask the honourable senator from Carleton (Hon. Mr. Fogo) whether all the money obtained during the existence of this corporation has gone into the Consolidated Revenue Fund? As I understand it, during the war money was borrowed on bonds, to purchase goods and assets. When the war was over these assets were sold and the money was put into the current account instead of being used to pay off the bonds. The government claims to have paid off a national debt of a billion and a quarter dollars, but this four hundred and eighty odd million dollars was part of that money. Am I right or wrong?

Hon. Mr. Fogo: I think the honourable leader of the opposition (Hon. Mr. Haig) is quite right. Honourable senators will find that section 15 of the original Act provides for periodic payments of the money by this agent to the Minister of Finance. When moneys were borrowed during the war, they were not borrowed against the purchase of particular items of war equipment. War equipment was purchased out of appropriations which, in turn, came out of the Consolidated Revenue Fund. Like the honourable leader opposite, I have been told that the moneys received from the sale of war assets have been applied against the general debt of the country.

In reply to the remarks of the honourable senator from Churchill (Hon. Mr. Crerar) respecting the powers of the company, I would say that the amending bill reduces rather than enlarges those powers. If you compare the new powers with the previous ones, I think you will find they are actually not as great as they were before. This is largely because the company, presumably, will not have as broad a task in future as it had in the past. As stated by the honourable gentleman from New Westminster (Hon. Mr. Reid), and as I think I made clear, there is no doubt that it is intended to carry on the agency, which has been found satisfactory.

Hon. Mr. Haig: Is Mr. Taylor still the general manager of the corporation?

Hon. Mr. Fogo: No. I do not think he ever was.

Hon. Mr. Haig: I may have made a mistake in the name. Who is the general manager?

Hon. Mr. Fogo: The general manager is Mr. H. R. Malley, who is also the vice-president.

Hon. Mr. Lambert: Mr. Berry is the man whom the leader of the opposition has in mind.

Hon. Mr. Fogo: The president of the company during, I think, most of the period from 1944 to 1947 was John Berry.

Hon. Mr. Haig: That is the man.

Hon. Mr. Fogo: He now occupies a senior position with the A. V. Roe Company. During the war he was Chairman of the War Production Board, and after the war he was prevailed upon to stay on and act as president of this corporation for a time. The present secretary of the corporation is R. P. Saunders, K.C. In addition to Mr. Malley and Mr. Saunders, the directors are: W. D. Low, Managing Director of the Canadian Commercial Corporation, Major General J. H. MacQueen, President of Canadian Arsenals Limited, and E. R. Birchard, Vice-President of the National Research Council. All these senior officials of the company are in Ottawa.

Hon. John T. Haig: Honourable senators, speaking as a Canadian, I think that throughout Mr. Berry's period of office, up to the end of 1947, the corporation was extremely well administered. I am not familiar with its operations since then. I agree with the honourable gentleman from Churchill (Hon. Mr. Crerar) and the honourable gentleman from New Westminster (Hon. Mr. Reid) that it is a dangerous thing to authorize the government to branch out into business, and I believe we should do everything possible within reason to wind up this sort of thing. In saying this I am not criticizing the government, nor, I think, were the honourable gentlemen whom I have mentioned.

I can understand, of course, that the government may have so many surplus assets

that no regular department is equipped to handle them. My point is that we should be on the alert to prevent participation by the government in competitive business. I know that in Canada a large body of thought is against me on this. Well, the government of another country has been engaging in various lines of business during the last four and a half years, and it is still trying to take on more. Whether the people of that country will support their government at the general election next year I cannot say, and in any event that is none of my business, but I am sure that the majority of Canadians do not want to see our government entering upon more commercial undertakings. It seems to me quite clear that the sentiment of this country, as expressed in the general elections last June, was very largely in favour of a reduction in the government's business activities. In my province of Manitoba, also, where we recently had a general election—I am not talking politics now, for the parties are rather badly mixed up there —the sentiment was pretty clearly against the participation of the government in ordinary business.

Hon. Mr. Euler: The people of New York State did not vote that way the other day.

Hon. Mr. Haig: They will always vote in favour of being given something for nothing by the government.

Hon. Mr. Euler: People might do that here too.

Hon. Mr. Haig: Yes, and I am not saying that children's allowances and other payments by the government did not affect the result in our last federal election. What I am saying is that our people are not in favour of the government entering into any further lines of business.

It would probably be well to have this bill sent to a committee, and I think the minister should be there to tell us what the government's policy is.

Hon. Mr. Fogo: May I say just one word? I think the real question here is whether or not we wish to have surplus assets sold by eighteen departments or by one.

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

REFERRED TO COMMITTEE

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

The motion was agreed to.

HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS

MOTION

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Roebuck, that the government be requested to submit to the forthcoming Dominion-Provincial Conference on the constitution a draft amendment to the British North America Act.

Hon. L. M. Gouin: Honourable senators, first of all I wish to express sincere gratitude to the honourable gentleman from Toronto-Trinity (Hon. Mr. Roebuck) for the time and thought he has given to the matter we are now considering. For two sessions it was my privilege to preside over the Joint Committee on Human Rights and Fundamental Freedoms. At all sittings of the committee our distinguished colleague from Toronto-Trinity played an active part and showed a keen interest in the work. Other active and keenly interested members of the committee were the honourable senator from Cariboo (Hon. Mr. Turgeon) and the honourable senator from Peterborough (Hon. Mrs. Fallis). Yesterday each of them made an illuminating contribution to the subject under discussion, and I feel that they deserve our heartiest congratulations.

I am aware of the sincerity of all our colleagues who have preceded me in this debate and so eloquently advocated the principles of human rights and fundamental freedoms, and I wish to assure the house that I am as anxious as they are to serve the same sacred cause. In particular I wish to assure our distinguished colleague from Toronto-Trinity that I believe just as much as he does in freedom—freedom of conscience, freedom of speech and freedom of association. Like him, I think, as he said in his speech last Thursday—I quote from page 217 of the Senate *Hansard*—"that Canada today is the freest nation upon the earth, and in that I do not except either the United States or Great Britain."

As stated in the report which I tabled in this house on June 26, 1948, I believe that the ultimate and effective safeguard of our rights and freedoms lies in a resolute and effective public opinion. Indeed, we should never take for granted that our liberty is out of danger. It remains forever true that eternal vigilance is the price of liberty.

I find an example of such vigilance in the draft bill of rights so carefully prepared by the members of the committee which has, for its president, the very favourably known

editor of *Saturday Night*, Mr. B. K. Sandwell, and for its secretary, my learned confrere Mr. Irving Himel. This committee deserves our congratulations and our thanks. Its members have contributed in a practical way to educate the public at large in this vital matter of human rights. The text submitted to us fully deserves our attention, and, because it comes to us only as a basis of discussion, it invites our friendly criticism. The honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) took the proper attitude when, as appears at page 216 of the Senate *Hansard*, he admitted quite frankly in his address "the difficulty inherent in the federal system of divided jurisdiction", and conceded—

—that no truly comprehensive bill of rights, applicable under all circumstances, could be enacted by the Dominion Parliament alone without infringing the provincial jurisdiction.

I may remark here that this difficulty still exists, though our Canadian Parliament has recently taken the final steps to obtain from Westminster the right to amend our constitution in purely federal matters. It is precisely because human rights to a large extent concern provincial matters that the senator from Toronto-Trinity suggests "that the government be requested to submit to the forthcoming Dominion-Provincial Conference on the Constitution" the draft amendment to the British North America Act contained in the motion now under consideration.

The leader on this side of the house (Hon. Mr. Robertson) has already called to our attention the fact that the premiers of our ten provinces have not been invited to come to Ottawa in January next for the purpose of considering amendments to our constitution. They have accepted the invitation of the federal government merely, and exclusively, in order to try to agree on the adoption of new machinery for amending the constitution in matters which are not purely federal. The subject matter of the motion now before us cannot form part of the agenda of the next conference, because it was not included in the notice sent to the provincial governments. I agree with the leader on this side of the house that it would not be advisable for the federal government to take upon itself the responsibility of recommending to the provincial authorities the passing of a bill of rights covering both federal and provincial matters. Some of the provincial governments might very well regard such a course as a form of interference or even of indirect criticism by the federal government. At all events, for the time being I am convinced that our discussion here should be limited to matters strictly within federal jurisdiction.

I come now to another point. When seconding this motion, the honourable senator from Queen's-Lunenburg (Hon. Mr. Kinley) referred quite rightly to our partly unwritten and rather flexible constitution. He stated quite justly, as will be found at page 218 of Senate *Hansard*, that we in Canada possess freedoms which people with a rather rigid constitution do not have. Our honourable colleague showed a strong sense of loyalty when he expressed the following doubt:

If Canadians are the freest people in the world, we would be surrendering something by adopting all the articles of this resolution. By adopting a bill of rights specifically defining our freedoms, we might be restricting rather than advancing the objectives we have in view.

The seconder of the motion quoted, as appears on page 218 of the Senate *Hansard*, a passage extract from Dr. Ollivier, Law Clerk of the other place, in which, after referring to various organic statutes which form our constitution, he says:

It is composed also of traditions, customs and constitutional conventions. It means freedom to think, to live, to worship and to work out our destiny as men and women who have a great mission and a great responsibility and obligation.

Let me remark here that our constitution, similar in principle to that of the United Kingdom, is based upon the fundamental principle of the sovereignty of parliament. From this it follows that in Canada—

—tyranny by the state authority is guarded against . . . merely by the force of precedent and public opinion operating on the governing bodies themselves. The famous declarations of liberty in England, the Magna Carta and the Bill of Rights, have no binding effect upon the British Parliament or upon the Dominion Parliaments upon which its powers have devolved in the respective Dominions.

This quotation is taken from page 12 of the excellent phamphlet of Mr. B. K Sandwell entitled "The State of Human Rights" appearing in *Behind the Headlines 1947*. Vol. VII, No. 2.

From this also it follows that a comprehensive bill of rights embodied in our constitution, as it now exists, would imply express limitations on the various elements of government in this country. "It would mean," according to Dean W. P. M. Kennedy of the School of Law of the University of Toronto, "both for the federal parliament and for the provincial legislatures a surrender of their supreme powers". I refer now to the answer addressed to the Clerk of our Joint Committee in 1947 by Dean Kennedy, which with other answers and opinions, is reproduced in the *Canadian Bar Review*, 1948, volume XXVI, No. 4, at page 711. Here Dean Kennedy says that any—

—bill of rights, however drawn up, must be divided into two parts—one dealing with federal subject-matters and the other dealing with provincial

subject-matters. I have given this a good deal of consideration and my submission is the outcome of the consideration.

Finally, Dean Kennedy states:

I do not believe that a bill of rights is really necessary. I think that "freedoms" are well enough protected in the ordinary law and, if this is not so, it ought to be possible to change the law in the various jurisdictions to suit occasions. I would also like to submit that a bill of rights must, by its very nature, be drawn up in terms which are not terms of art. As a consequence, there would be interminable litigation and the interpretation of the terms would vary in a different manner with the changes of the judiciary. This is the experience of the United States.

In 1947, as you remember, the Clerk of our Joint Committee wrote to all the attorneys general of the provinces, and to all heads of our law schools, asking for their views on the question of the power of the Parliament of Canada to enact a comprehensive bill of rights applicable to all Canada. In addition to the letter just referred to from Dean Kennedy, answers were received from other law faculties and from various attorneys general. Saskatchewan, however, was the only province to favour a federal bill of rights and to offer "to co-operate in the working out of any jurisdictional problems that may arise." It must be noted that in 1947 the Saskatchewan Legislature unanimously passed a bill of rights, which is entitled "The Saskatchewan Bill of Rights Act, 1947", and is chapter 35 of the Saskatchewan statutes of that year. But, to sum up, none of the attorneys general and none of the deans of the law schools conceded to our parliament the power to enact a comprehensive bill of rights applicable to all Canada. Except the Attorney General of Saskatchewan, none favoured the adoption of a federal bill of rights.

Our Joint Committee received also written representations from several groups and organizations. But only a few of the briefs submitted recommended a bill of rights for Canada. Under these circumstances, I believe that we were quite justified in reporting to this house on June 25, 1948, that it would be undesirable to undertake to define the rights in question "before a firm public opinion has been formed as to their nature. It was not evident to our committee that such an opinion had reached an advanced state in Canada. We insisted on the need for more public discussions."

I welcome therefore the opportunity which our senator from Toronto-Trinity affords to us to continue here our efforts for a better understanding of this very important matter. I am anxious to offer some constructive suggestions; but I insist before all, that at the present time our parliament should limit itself to purely federal matters. Secondly, I think that we should try to begin to agree on a few basic principles clearly within our federal sphere of jurisdiction and clearly acceptable to the great majortiy of the Canadian people. Once we have accomplished this first task, our next step would be, I think, to embody such principles in a short and concise declaration of human rights and fundamental freedoms. After that, but only after that, because we should let time do its work, experience would tell us if anything more should be done by us. At all events, we may hope that, if we adopted such a declaration of human rights, some provincial legislatures would follow our example and pass similar declarations.

I have already referred to the statute adopted by the Legislature of Saskatchewan; and without taking much more of your time, I wish to make a few remarks concerning the preamble and the main subject-matters to be embodied in the text of the draft declaration to which I have referred. Thus I shall be able to indicate to our senator from Toronto-Trinity and his friends to what distance I may be able to follow them at a later date, though now I cannot vote in favour of the motion which is before us.

Originally the Toronto Committee for a Bill of Rights submitted to the Joint Committee of our two houses the draft of a bill by which the Imperial Parliament would prohibit the Parliament of Canada and also our provincial legislatures from making any laws violating human rights. Thus "to take away from parliament its sovereign power and to return it to the source from which it came, namely the United Kingdom Parliament", was described by the Deputy Minister of Justice, Mr. Varcoe, as a "retrograde step". The reading of the very illuminating evidence given before us by Mr. Varcoe should satisfy anyone, I think, on this point. You will find his views recorded in the proceedings of our Joint Committee of 1947, at page 84, and of 1947-48, at page 202. If I may refer to myself, honourable senators, and cite page 180 of our proceedings in 1947-48, you will find that I was then opposed, as I am today, to the surrender of any part of our sovereignty to Westminster. I am convinced also that none of our provinces would consent to such a reactionary gesture. Until a new system is set up in Canada for constitutional amendments in provincial matters, such a motion as that which is now before us would require the intervention of the Imperial authority in order to limit the now absolute jurisdiction which the provinces enjoy concerning property and civil rights. It would be a great error, in the pretended name of human rights, to give the impression to any provincial government that we on parliament hill are

trying to impose upon them our own conception of what is right or wrong. Let us put our own house in order, and such a course will have much greater force of persuasion.

I therefore take it for granted that we limit ourselves to purely federal matters in our discussion of a declaration of human rights. I advocate, as a first step, a declaration, not a bill, because before legislating we must first agree on some fundamental principles. I trust that the majority of Canadians would be able to agree on such a declaration, but I fear that conflicting views may prevent, or at least considerably delay, the adoption of a bill of rights. There may even be bitter discussions as to the proper procedure to be followed for the enactment of such a measure, either as an ordinary statute or as an organic law. The question of the suspension of some of the provisions of such an Act in case of emergency would also arise. If we want to achieve anything practical within a reasonable time, I am convinced that the consideration of a draft declaration of rights would be the first step to take. But what subject-matters should be embodied in such a declaration? We should proclaim the right to freedom of conscience, the right to personal freedom and security, the right to freedom from arbitrary imprisonment and to a fair trial, the right to free expression and to free association. We should proclaim the equality of all before the law. We should also declare that everyone has an equal right of access to public service in our country. Finally, we should add that all human rights and fundamental freedoms belong to every person without distinction of any kind, such as race, colour, sex, language, religious belief or political opinion.

Honourable senators, this is neither the proper time nor place to discuss in detail such a draft declaration. I must, however, tax your patience a little more with the following comments. Such a declaration of rights should clearly state that it applies only to all matters within the jurisdiction of the Canadian Parliament. It should also be an act of faith, and in a form acceptable to all good Canadians. It would be a grave error to insist on human rights without referring either to corresponding duties, or to the Divine Source of all rights. Without such references we would leave to the generations to come, a very uninspiring document—only a dead letter on our statute books.

In the immortal Declaration of Independence, adopted on July 4, 1776, the representatives of the thirteen American states unanimously declared:

> We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty and the pursuit of happiness.

Honourable senators, I regret that the Eternal Source of all rights is not mentioned at the beginning of section 148, which the motion before us seeks to add to our present constitution. The proposed section 148 states in its two first lines that:

> Every person is entitled to the human rights and fundamental freedoms herein set forth.

Then it sets out the 18 articles. Personally I am firmly convinced that every individual is entitled to certain unalienable rights, and I am convinced that it is so because we are endowed with such rights by the Creator of all things and all living beings.

To conclude, may I quote one of the founders of the great neighbouring republic, and may I say with Benjamin Franklin:

> I have lived, sir, a long time, and the longer I live, the more convincing proofs I see of this truth: That God governs in the affairs of men. And if a sparrow cannot fall to the ground without His notice, is it probable that an empire can rise without His aid? We have been assured, sir, in the sacred writings, that "Except the Lord build the house, they labour in vain that build it."

Honourable senators, without the assistance of heaven, we shall succeed no better than the builders of Babel in trying to build any declaration or bill of rights. Any political structure must have for its foundation the living principles of eternal truth and eternal justice. The charter of the United Nations has excluded the holy name of God from all its provisions. But surely we Canadians, as God fearing people, proud of our great religious traditions, are anxious in our national life to recognize the place of honour which is due to the God of our fathers.

I hope that one day we will be able to agree on a great historic text proclaiming our faith in human rights and in universal brotherhood, but proclaiming also in clear and unambiguous words, our faith in God Almighty, the Author of all rights. We must never forget the religious origins of our country. It is great to be a Canadian, because we have inherited the moral code of our pioneers and because we have kept their faith. It is our duty to render unto God what is due to God, and always to remember that we are all the children of the same Creator, that we are the sons and daughters of the same Father. Such great truths we must briefly but sincerely inscribe in the creed of freedom which it is our mission to bequeath as our last will to those who will come after us.

Some Hon. Senators: Hear, hear.

On motion of Hon. Mr. Reid the debate was adjourned.

TRADE WITH THE WEST INDIES

INQUIRY AND DISCUSSION

The Senate resumed from Monday, November 14, the adjourned debate on the inquiry of Hon. Mr. Kinley respecting trade between Canada and the West Indies.

Hon. A. Neil McLean: Honourable senators, the West Indies are right at the door of the Maritime Provinces. They stretch from Bermuda right down to British Guiana and British Honduras. They contain such great islands as Jamaica, Trinidad, Antigua and many other important parts of the empire. Their production is complementary to Canada's. In fact, I see no reason why we should not welcome them as the eleventh province, or at least have economic union with them.

Trade between the Maritime Provinces and the West Indies started upwards of 200 years ago, when our forefathers left our Maritime shores in sailing ships and went down to the West Indies to trade, taking with them fish, lumber and other Canadian products. The goods were unloaded on the wharves of the islands and the question asked in those bygone days was: "How much rum, molasses, sugar, fruits, etc. do we get?" A deal was made. A few British pounds may have changed hands, but a deal was made, anyway and the Maritime Provinces were enriched by importations from the West Indies, and the West Indies were enriched by their receipt of Canadian commodities. Since those early days, over the years that have passed, a very large import and export trade has been pioneered and built up between the West Indies and this country. This has meant a heavy investment of Canadian capital. Many ships have been built by Canadians to take care of this trade, and the Canadian Government has granted large subsidies to promote the trade. Thousands and thousands of our Maritime people have become dependent for their living on the West Indies trade.

During the war, and directly after, when goods were scarce and money was plentiful, we denied ourselves and made considerable sacrifice in order to send real wealth to the West Indies, in the form of food, clothing and shelter, at fair prices. Naturally the trade was one-sided: from a monetary standpoint it was in our favour. However, in the last couple of years goods have become more plentiful in the West Indies and we have certainly done our part in buying any surplus they had, as the figures will show. But there seems to be little use in providing them with extra dollars if those dollars are taken elsewhere and are not allowed to be spent with us. Our pay-off is a steady loss of trade, as indicated by the following figures.

In the year 1947 our exports to the West Indies totalled $81 million, but in 1948 they dropped to $58 million. Imports from the islands over that period went up $9 million, so we certainly did our part in trying to increase trade with them. For the six months of 1949—these are the only figures so far obtainable for the present year—our exports to the West Indies fell to $23 million, as against imports of $26 million. And let me point out that these figures include only the visible trade, and take no account of the tourist business, which runs into many millions. It is clear that our business with the West Indies has been reduced by more than half.

During the last two or three years these islands have been obliged to follow seemingly dictatorial instructions from England as to what nations they would trade with, and on these instructions trade has steadily been diverted away from Canada to other countries, whether they belong to the commonwealth or not. Even the dollars we have sent to the islands to pay for sugar and bauxite ore, from which aluminium is made, have been diverted away from Canada. I have seen lists issued on instructions from London giving the names of countries that the West Indies must trade with, and Canada has been at the bottom of the lists. Today in the Maritime Provinces we wake up to find that although we have made a very large investment in the West Indies, that investment is to a great extent lying idle. Ships are tied up to the wharves instead of moving goods between the two countries. Subsidies have been paid in vain. Those who have spent their lives pioneering West Indies trade are being denied a livelihood.

The diversion of the West Indies trade in such circumstances might well be considered a rather unfriendly act. Take the development of power in this country. Years ago, when power was first developed in New Brunswick and in other parts of Canada, we began to export it across the border. At that time our manufacturing enterprises were rather few and far between, and therefore we were glad to sell power in the United States. In later years we expanded our own manufacturing plants and needed hydro power. But when we tried to get back for Canadian industries the power that we were shipping across the line, we found that the Americans had invested a large amount of capital in building up United States industries dependent on this Canadian power; and we were told that if we withdrew the power, and those American industries were thereby forced into idleness, it would be considered an unfriendly act. So the power still is being exported across the border. Now it is said

that all the nations within the commonwealth are on an equal basis. If so, Canada should surely have certain empire trade rights. We have a large capital investment in the West Indies trade, and the diversion of that trade away from us by other nations in the British Empire or Commonwealth does not seem fair. In other words, it does not seem to be a very friendly act, for the trade in which we have this large investment has a history of over two hundred years.

It seems to me that strong representations should be made to the government in England that the West Indies trade is to a large extent, the bread and butter of the Maritime Provinces, and that we in this country should be consulted and given some consideration before seemingly dictatorial demands are made on the West Indies to divert their trade into channels away from Canada. I do not know whether we have been requested or not to extend aid to our close neighbours of the West Indies; but if we were, there is certainly no reason why we should not extend temporary aid.

We all remember what President Roosevelt said at a time when there was a great crisis in the democratic world. He said that if your neighbour's house is on fire you should give him everything you have by way of protection—engines, fire hoses, water supply, etc. —without any charge, because it may not be long until you yourself will reach a crisis and need the aid of your neighbour to conserve your life and property.

Surely ways and means can be found to hold this trade. Once a market is lost, its recovery is very difficult and expensive. The West Indies are today paying high prices in other markets for commodities that could easily be supplied by Canada on a far more economical basis.

Of all the markets in the Empire, the West Indies is the oldest and most logical one for Canada to carry on with; but if the loss of trade continues at the present rate we shall be pretty well out of that market in a year or so. This is not fair to the people of the Maritime Provinces, who have pioneered and worked so hard over the years to establish the trade.

During the last year or two we have greatly increased our buying in the West Indies. But what is the use of this if our dollars are diverted elsewhere and are not allowed to be spent here? The people of the West Indies are not even told of their dollar allocation by the British Government. Many of them think that a knowledge of where they stood would be an incentive to them to try to sell more in the dollar countries. They are being told that Canada has large reserves of oil and that it is very unlikely that they could sell more oil or sugar up here. Their initiative and ambition to trade more with Canada are certainly taken away when they do not know where they stand as to Canadian dollars. If they do earn more dollars, they have no assurance that they will be allowed to spend them here, where prices are lower than in most countries from whom they are now being directed to buy. The figures I quoted tell a sad story of a steady loss of valuable trade for Canada. They also represent a great loss for the West Indies, for if ever a trade was mutually profitable it was our West Indies trade. As previously stated, the commodities produced in our respective countries are all complementary to one another—our goods raised their standard of living and their goods did the same for us. It must be remembered that the figures I have given cover only visible exports and imports, and do not account for what has been spent through the tourist trade.

The West Indies gain millions of dollars from Canada in the tourist trade. Since the austerity program came into force thousands of Canadian tourists, who previously went to the United States, visit the West Indies and spend a lot of money there. What has become of all these dollars that are being diverted away from Canada?

I have before me a newspaper from Trinidad containing a verbatim report of an address before the Chamber of Commerce there by Mr. Arthur Shenfield, their economic adviser, who came from outside the country—I presume the United Kingdom. We have heard of these economic advisers many times before. I will lay the speech on the table, but I should like to refer to one or two bits of advice which Mr. Shenfield gives as to what Canada will or will not do. Mr. Shenfield has never been up here, so far as I know, and I do not think he should advise these people about Canada without making a first-hand investigation. In effect, Mr. Shenfield says that Canada has a big reserve of oil, and would not buy any more of that product; also he says that we have all the sugar we want, and that it is useless for the West Indies to try to stimulate trade with us in this commodity. Though he speaks with great authority and tells the traders of the West Indies what they can and cannot do, I have never heard of him. When asked how many Canadian dollars were coming into the West Indies, Mr. Shenfield refused to answer and said that these matters were decided in high places.

Honourable senators, because of the conditions of world trade, and particularly because many people in the Maritime

Provinces depend on trade for their livelihood, every effort should be made by the government to see that something is done to stimulate our activities in this field. We could at least see that the people of the West Indies get accurate information, which they do not seem to be getting from their economic adviser.

On motion of Hon. Mr. Robertson the debate was adjourned.

DIVORCE BILLS

SECOND READINGS

Hon. W. M. Aseltine, Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill F-6, an Act for the relief of Rene Walsh.

Bill G-6, an Act for the relief of Sara Tepper Prupas.

Bill H-6, an Act for the relief of Joseph Wilfred Melanson.

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. Aseltine: With leave of the Senate, now.

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 I-6, an Act for the relief of Muriel Johnson Binnie Keates.

Bill J-6, an Act for the relief of William Campbell James Meredith.

Bill K-6, an Act for the relief of Lilliam Steinberg Heitner.

Bill L-6, an Act for the relief of Clayton George Allison.

Bill M-6, an Act for the relief of Louis Kasper.

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.

The house adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, November 17, 1949

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

Prayers and routine proceedings.

SURPLUS CROWN ASSETS BILL

REPORT OF COMMITTEE

Hon. T. A. Crerar, Acting Chairman of the Standing Committee on Banking and Commerce, presented and moved concurrence in the report of the committee on Bill E-6, an Act to amend the Surplus Crown Assets Act.

(The report was read by the Clerk Assistant, as follows:)

The Standing Committee on Banking and Commerce, to whom was referred Bill E-6, an Act to amend the Surplus Crown Assets Act, have in obedience to the order of reference of November 16, 1949, examined the said bill and now beg leave to report the same without any amendment.

Hon. Mr. Haig: Honourable senators, I shall not delay the house for more than a moment or two. The basis of this bill is the continued delegation of government powers to a Crown corporation. In committee we discussed the question of governmental responsibility. It is true that the corporation reports to the Minister of Trade and Commerce—a fact which may be said to establish some connection with the government—and that the corporation is provided for in the estimates of his department; but it charges 10 per cent commission on the goods it sells, and has the disposal of the proceeds. If there is any surplus on operations, no doubt the money goes to the government, but the fact remains that the corporation is controlled by its directors.

I am opposed to a policy of that kind; I object to any system that delegates the responsibility of the government or of parliament to a corporation, by whatever name that corporation is called. It is a very, very dangerous practice. I admit that it may be permitted under special circumstances, when times are good and money is plentiful. But I predict, even though I may be accused of saying it too often, that the storm signals are out and there will be a different story to tell when the estimates of 1951 come before us. Parliament is losing control of the nation's purse-strings when it allows goods to be sold by a private corporation—because that is what it amounts to—which can recover its expenses from the 10 per cent that it charges, and turn over the rest to the government.

I also am opposed to making this corporation permanent. I made no objection to the establishment of the corporation after the war for the purpose of disposing of war assets. I may have had something to say by way of criticism of those assets, as being too great or too small, but that issue is past and gone and there is no point in reviving it. Some may argue that it is advantageous to have the surplus assets in every department turned over to this corporation. But that has nothing to do with the principle whereby the government of the country is transferring control to a government corporation, and whereby the only restraint which parliament can exercise is through the minister, upon the consideration of his estimates. I admit that a discussion can take place at that time, but any control that may be exercisable over the expenditures of the department is confined, of course, to the minister himself.

Another point of criticism is that certain businesses are exempted from the provisions of the bill, and that some procedures under the Act are subject to order in council—both of which are bad principles. All such exceptions should come before this house, or the other, and be dealt with by parliament itself. Probably a majority will vote for the continuation of these powers. Nevertheless I do not believe they should be extended, and on behalf of those associated with me, as well as myself, I protest against this delegation of governmental powers to a Crown corporation.

The motion was agreed to, and the report was concurred in.

THIRD READING POSTPONED

The Hon. the Speaker: When shall this bill be read the third time?

Hon. Mr. Robertson: With leave of the Senate, now.

Hon. Mr. Reid: Is this the Surplus Crown Assets Bill?

The Hon. the Speaker: Yes.

Hon. Mr. Reid: I object to the third reading today.

Hon. Mr. Robertson: Then, with leave, next sitting.

The third reading was postponed.

DAYLIGHT SAVING

NOTICE OF MOTION

Hon. Mr. Euler: Honourable senators, I beg to give notice that at the next sitting of the Senate I shall move:

That in the opinion of the Senate the practice of daylight saving should be made uniform as to the

day and hour of its commencement and its termination, and that the railways of Canada should conform to the general practice so established.

Hon. Mr. Haig: Would that permit the establishment of one uniform system all over Canada?

Hon. Mr. Euler: This is merely an expression of opinion.

Hon. Mr. Haig: That is all I wanted to know.

DIVORCE BILLS

THIRD READINGS

Hon. Mr. Haig (for Hon. Mr. Aseltine, Chairman of the Standing Committee on Divorce), moved the third readings of the following bills:

Bill I-6, an Act for the relief of Muriel Johnson Binnie Keates.

Bill J-6, an Act for the relief of William Campbell James Meredith.

Bill K-6, an Act for the relief of Lillian Steinberg Heitner.

Bill L-6, an Act for the relief of Clayton George Allison.

Bill M-6, an Act for the relief of Louis Kasper.

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

FIRST READINGS

Hon. Mr. Haig presented the following bills:

Bill N-6, an Act for the relief of Arthur Colpron.

Bill O-6, an Act for the relief of Berengere Pare Fuller.

Bill P-6, an Act for the relief of Enid Dorothy MacRae Gauley.

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.

CUSTOMS BILL

SECOND READING

On the Order:

Resuming the adjourned debate on the motion for second reading of Bill D-6, an Act to amend the Customs Act—(Hon. Senator Ross).

Hon. Mr. Buchanan: Honourable senators, the honourable senator from Calgary (Hon. Mr. Ross) has requested me to inform the Senate that he is at present serving on the Standing Committee on Divorce. He advised me that even though he had been able to attend this sitting of the Senate, it was not his intention to speak on the second reading of the bill or to further postpone the debate.

The Hon. the Speaker: The question is on the motion for the second reading of this bill.

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

REFERRED TO COMMITTEE

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

The motion was agreed to.

HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS

MOTION

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Roebuck, that the government be requested to submit to the forthcoming Dominion-Provincial Conference on the Constitution a draft amendment to the British North America Act.

Hon. Thomas Reid: Honourable senators, as one who has recently been appointed to the Senate, I trust that I will not be considered presumptuous in rising to participate in this debate. I feel, however, that the importance of the resolution warrants my making a few remarks.

At the outset I wish to commend the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck), who introduced the resolution, and also the honourable senators who have already spoken in the debate. But I am going to try to approach the subject from a realistic or practical angle, rather than from an academic or idealistic point of view. Let me assure the house, though, that I am not unmindful of the necessity of ever keeping ideals before us. We can, I believe, dispense with any suspicion that any member of this house is opposed to the principles or ideals outlined in the resolution. I feel that every one of us is entirely in accord with the intent of its various articles; it is when we examine what is being actually requested that differences of opinion arise.

The different opinion to which I hold may be termed threefold. My first objection to the resolution is that it is premature. The commission on human rights and fundamental freedoms was established by the United Nations in 1946, and it was not until two and a half years later—that is, some time in 1948—that the commission's declarations on human rights were enunciated in the form of the articles now before us. But

I may point out that at the time they were enunciated it was not intended that they should be implemented right away. The articles are really a declaration of faith embodying what it is proposed that the members of the United Nations should place before themselves as ideals. It was not considered probable that the articles in their present form would be implemented. If you will look up the records of the United Nations you will find that the General Assembly is planning to present, in September 1950, a Bill of Rights drafted in more precise terms and in a form which will be acceptable to all member nations for implementation. So I say to the honourable gentleman who introduced the resolution, and to the house, that were we to request the government to submit the present articles to the forthcoming Dominion-Provincial Conference, our action would be premature, for no one can predict now just what form will be taken by the articles to be presented by the General Assembly in 1950.

I have a further objection. As I say, I am attempting to deal with the matter practically. To my mind, if there is anything that would likely break up the Dominion-Provincial Conference, it is just such a set of clauses as we have before us here. To my mind, the failure of the dominion and provincial governments to come to an understanding in 1945 and 1946 was caused by the fact that too many matters were placed on the table for consideration by the premiers of the then nine provinces. If you will look back at what has taken place in Canada since that time, including the legislation that we have passed, you will observe that in the meantime we have learned a lesson or two. For example, under the British North America Act public health is a matter within the legislative powers of the various provinces; yet they agreed to co-operate in the National Health Scheme which is now being carried out by the federal government. How did the federal government get the provinces to agree to that? Well, the provinces were consulted, one by one, and only one matter was discussed at a time. I feel sure that if the present resolution were placed before the forthcoming conference it would cause a wider breach between the federal and provincial governments than now exists. This is aside from my further point that the conference is not being called to deal with extraneous matters, however idealistic and necessary they may be, but with amendments to the British North America Act.

I have placed before the house what I regard as two serious objections to our adoption at this time of a resolution calling for the placing of these articles before the Dominion-Provincial Conference. I also submit to honourable senators that a brief consideration of the articles will cause them to realize the difficulties which were faced by the Commission on Human Rights in their attempt to draft an acceptable declaration. I believe there is scarcely a single one of the articles which would not keep this chamber or any other Canadian legislative body engaged in discussion, contentious or not, for a considerable period of time. Let me call attention to the wording of one or two articles. For instance, article 3 says:

> No one shall be subjected to torture or to cruel, inhuman or degrading treatment or punishment.

Now I say, in no sense of levity, that I would not have to go far to find people who would say they are subjected to cruel treatment when I play the Scottish national instrument.

Some Hon. Senators: Oh, oh.

Hon. Mr. Reid: Seriously, I should not like to see the Senate approve of a clause like that, unless it was elaborated and made clearer.

Article 4 says:

> Everyone has the right to recognition throughout Canada as a person before the law.

I listened attentively to the splendid speech made a day or so ago by the honourable senator from Peterborough (Hon. Mrs. Fallis), who reminded us that it is not so long since women were first recognized as "persons" eligible for appointment to the Senate. But I do not think the honourable lady or any other senator would deny that in this country everyone, whether male or female, is recognized as a person before the law.

I run along to article 15, which begins by saying:

> Everyone has the right to freedom of thought . . .

Now, just how would you go about preventing a person from thinking what he wished? For example, I might have some thoughts unfavourable to a certain person, but how would he know it? And if he did know it, how could he prevent me from having the thoughts? The article goes on to say that everyone has the right to freedom of conscience. Well, how can you control a person's conscience? It simply cannot be done. You can control the expression of a man's thoughts by putting him in jail or, as they do in Soviet Russia, by shooting him; but by no manner of means can you control a person's thoughts or conscience, for we have not yet discovered how to read what is in the human mind or conscience.

Then, article 17:

Everyone has the right to freedom of peaceful assembly and association.

Well, as we know, what constitutes a peaceful assembly is a question of opinion. I have seen, as perhaps other senators have, someone preaching a doctrine of religion at a street corner, and have heard people to whom the doctrine was disagreeable claim that the preacher was conducting an unlawful assembly. Incidents of that kind do occur in this country of ours.

In commenting upon these few articles I am simply trying to show that not only would it be difficult to put the proposed bill of rights into effect, but also that an attempt to do so at this time might have an injurious effect in other countries. Some people abroad are closely watching what is going on in Canada. It has been well said that in no country has the individual more rights and freedoms than here, but this very resolution might cause some outsiders to say, "Well, it does not look as if Canadians have much freedom, for a resolution to give them some eighteen kinds of freedom has been proposed in their parliament.

The second clause of article 17 says:

No one may be compelled to belong to an association.

I wonder if the sponsor of this resolution (Hon. Mr. Roebuck) would be prepared to take action against trade unions in this country, or even against lawyers' associations or medical societies, for infraction of this clause. Does anyone believe that there is in this country a government which would endeavour to enforce such a clause? As we all know, bar associations and medical societies have power to prevent anyone other than their members from practising as lawyers and doctors. And many trade unions have closed shops, in which persons who do not belong to the unions are forbidden to work. By trying to put these freedoms into words, sentences and paragraphs, I very much fear that we may inadvertently leave out some of the rights and freedoms which each and everyone of us enjoy.

I would draw honourable senators' attention to the fact that by bringing this matter before the house the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) has carried out the request of the United Nations, which appears at page 255 of *Canada and the United Nations* 1948, and reads as follows:

Recommends Governments of Member States to show their adherence to Article 56 of the Charter by using every means within their power solemnly to publicize the text of the declaration and to cause it to be disseminated, displayed, read and expounded, principally in schools—

Perhaps the Senate could be referred to as a school.

—and other educational institutions, without distinction based on the political status of countries or territories.

As I say, I sincerely believe that the honourable senator has carried out that recommendation, but in view of the fact that the subject is premature and that the United Nations will not consider the eighteen articles in precise terms until September 1950, and that it is not practical to throw the matter into the lap of the coming Dominion-Provincial Conference, I suggest that the honourable senator withdraw his resolution.

Some Hon. Senators: Hear, hear.

On motion of Hon. Mr. Beaubien the debate was adjourned.

TRADE WITH THE WEST INDIES

INQUIRY AND DISCUSSION

On the order:

Resuming the adjourned debate on the inquiry of the Honourable Senator Kinley that he will call the attention of the Senate to the restricted state of trade between Canada and the West Indies and inquire what steps, if any, have been taken by the government to improve the situation.

Hon. Mr. Robertson: Honourable senators, I ask that this motion be allowed to stand. In doing this, I wish to say to the honourable senator from Queen's-Lunenburg (Hon. Mr. Kinley) and the honourable senator from Southern New Brunswick (Hon. Mr. McLean) that the delay in answering the inquiry is not caused by indifference or diffidence on my part. On the contrary, I consider the subject an important one, and I wish to deal with it accordingly, but I am not prepared to speak on it today.

It is my intention to participate in the debate at the next sitting of the house, but should any honourable senator care to discuss the matter before then, I shall be very happy to make way for him.

The Order stands.

NATIONAL DEFENCE BILL

MEETING OF COMMITTEE

On motion to adjourn:

Hon. Mr. Robertson: Honourable senators, before moving the adjournment, I wish to remind honourable senators that when the house rises the Standing Committee on Banking and Commerce will meet to continue its consideration of the National Defence Bill. I would ask all honourable members of that committee to attend.

The Senate adjourned until Monday, November 21, at 8.30 p.m.

THE SENATE

Monday, November 21, 1949

The Senate met at 8.30 p.m., the Speaker in the Chair.

Prayers and routine proceedings.

DIVORCE BILLS

THIRD READINGS

Hon. W. M. Aseltine, Chairman of the Standing Committee on Divorce, moved the third reading of the following bills:

Bill N-6, an Act for the relief of Arthur Colpron.

Bill O-6, an Act for the relief of Berengere Pare Fuller.

Bill P-6, an Act for the relief of Enid Dorothy MacRae Gauley.

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 Q-6, an Act for the relief of Guy Merrill Desaulniers.

Bill R-6, an Act for the relief of Margaret May Lester Rajotte.

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.

SURPLUS CROWN ASSETS BILL

THIRD READING

Hon. Mr. Robertson moved the third reading of Bill E-6, an Act to amend The Surplus Crown Assets Act.

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

TRADE WITH THE WEST INDIES

INQUIRY AND DISCUSSION

The Senate resumed from Wednesday, November 16, the adjourned debate on the inquiry of the Honourable Senator Kinley respecting trade between Canada and the West Indies.

Hon. Wishart McL. Robertson: Honourable senators, the inquiry of the honourable senator from Queen's-Lunenburg (Hon. Mr. Kinley) brings to our attention the effect on Canada's export trade of the peculiar circumstances attending the difficulties in which the United Kingdom finds itself as a result of its shortage of the means of payment necessary for purchases in the dollar area. It instances the fact that Canadian export trade to the sterling areas has played a large part in the economy of our country, and particularly of the Maritimes. Honourable senators will recall that early in the war, for exactly the same reason, the export business of the Annapolis Valley—which for a long time had depended on the United Kingdom market and in 1939 had reached a value of $8,700,000—practically ceased to exist. It is true that as a result of special arrangements small isolated shipments are moving to the United Kingdom, but this is not believed to be an indication of a restoration of the valuable trade which has almost entirely disappeared. I would remind honourable senators that the traditional trade in long lumber between the Maritime Provinces and the United Kingdom, which has been conducted now for approximately 200 years reached in 1947 a value of over $20 million, and a year later dropped to only slightly more than $5 million. In 1948 pit-props to a value of $7,600,000 were sent to the United Kingdom. This was almost entirely a war industry, and it came to play an important part in the economy of the Maritime Provinces, but the prospects of shipping any in the future are uncertain.

Then we come to the trade situation which my honourable friend from Queen's-Lunenburg (Hon. Mr. Kinley) so clearly and concisely brought to our attention. He pointed out that the trade between Canada and the British West Indies was showing signs of diminishing.

In 1938 Maritime exports of fish, lumber, and potatoes to the British West Indies amounted to $1,900,000; in 1947 they increased to $6,700,000; in 1948 they dropped to $5,900,000, and for the first six months of 1949 they amounted to $2,700,000.

My honourable friend from Queen's-Lunenburg inquired what steps, if any, have been taken by the government to improve the restrictive state of trade between Canada and the West Indies. In order to answer his inquiry in such a way that there will be a better appreciation of the existing situation, in giving to the house the figures for the Maritime portion of that trade I have included the items shown in the trade statistics as fish, lumber—including staves and barrels—and potatoes, although some of the fish may not have originated in the Maritime provinces.

It is also probable that some exports originating in the Maritime Provinces, such as some manufactured goods, come under other headings and are not included in these figures.

With that explanation, I now wish to give the figures for our export trade to the British West Indies in the year 1938, which was a reasonably average pre-war year, and also, by way of comparison, the figures for the year 1947. I am confining my remarks on this occasion to that portion of the West Indies known as the British West Indies, where, it being a sterling area, the situation is of course quite different from that existing in the dollar area.

The following table sets out the chief exports of the Maritime Provinces to the British West Indies:

	1938	1947	1948	1949 (6 months)
Fish	$ 1,200,000	$ 4,200,000	$ 4,000,000	$ 1,900,000*
Lumber, including staves and barrels	472,000	1,600,000	1,300,000	630,000
Potatoes	260,000	960,000	620,000	210,000
Total Maritime Exports	$ 1,932,000	$ 6,760,000	$ 5,920,000	$ 2,740,000
All other Canadian exports	12,,170,918	75,240,000	52,484,775	20,260,000
Total Canadian exports	$14,102,918	$82,000,000	$58,404,775	$23,000,000

*(Includes Newfoundland)

Hon. Mr. Reid: Would the honourable senator allow me? Has he any figures showing the quantities of fish, lumber and potatoes shipped in 1938 and 1947?

Hon. Mr. Robertson: My honourable friend's inquiry is a pertinent one. I am sorry that I have not the information which would make it possible to compare unit prices in the two years mentioned.

Perhaps I should draw the attention of honourable senators to the fact that, despite reductions, our 1948 exports were four times as great as those of 1939, but not as great as those of 1947.

Hon. Mr. Quinn: That is in value?

Hon. Mr. Robertson: In value. The downward trend has continued into 1949, and may continue into 1950. Actually, the major reductions are in manufactured goods. The traditional items of export to the West Indies, such as foodstuffs and related materials, have borne up better than many of the major exports to the United Kingdom. Three items of export trade from the Maritimes to the United Kingdom—apples, long lumber and pit-props—the value of which at one time amounted to approximately $35 milion, have for the most part been temporarily lost.

Regrettable as are the reductions in trade from the high peak of 1947, our exports to the West Indies are holding up much better than those to the United Kingdom. I wish to place on *Hansard* for the consideration of honourable senators, certain statistics showing our main trade with the British West Indies. These statistics include some of the items to which I shall now refer.

(See appendix at end of today's report).

Wheat flour, which has been Canada's largest individual item of export to the British West Indies, accounted for from 20 to 30 per cent of the value of pre-war exports. During the war alternative supplies were unavailable and this trade—which is so essential to the shipping services of that area, accounting as it does for a large part of the total tonnage—increased to a high level. This condition continued after the war; but the Canadian flour trade is now meeting competition, particularly from Australia.

An established item of trade with the West Indies is potatoes, principally from Prince Edward Island. During the war an abnormal export trade in butter was developed, but it has been cut back severely during the past two or three years.

Hon. Mr. Quinn: Where did the competition come from in the butter field?

Hon. Mr. Robertson: I have not that information before me, but it is my impression that prior to the war we shipped little if any butter to the British West Indies.

Hon. Mr. MacKinnon: It came from Australia.

Hon. Mr. Robertson: My honourable friend, a former Minister of Trade and Commerce, mentions Australia. As I recollect, during the discussions in this house on butter and allied products, it was stated that our butter export to the British West Indies was part of the international food allocation assigned to us.

A special 22-pound Canadian cheese has been developed for the British West Indies market, and during the war was exported with considerable difficulty. Although it has long been an item of our West Indies trade,

recent cuts have been severe, and competition from New Zealand is being encountered, particularly in British Guiana.

Evaporated milk, another important item, has been subject to keen competition, and the Canadian producers are now being affected by import restrictions.

The trade in dried cod with the British West Indies has been of long standing, and until recently has been maintained. Honourable senators, particularly those from the Maritime Provinces, may be interested to hear the figures on dried cod export for the years from 1938 to the first six months of 1949. They are as follows:

1938	$ 422,977
1945	959,301
1946	1,197,573
1947	1,133,464
1948	835,049
1949 (six months)	1,177,013

I must draw the attention of the house to the fact that the last figure includes $739,000 worth of fish from Newfoundland. Therefore, excepting the Newfoundland trade in this commodity, exports of cod for the first half of 1949 amounts to approximately half of our total cod exports in 1948. The notes which I have been given by the department indicate that additional restrictions have come into effect very recently, and the probability is that 1950 business will suffer adversely. To what extent it will be reduced, I cannot say.

Under the heading "manufactured products", the item covering automobiles offers the best illustration of the plight of our British West Indies export trade in manufactured goods. The export trade in automobiles was well established under the Empire preference plan and for a number of years prior to the war the products of Canadian plants enjoyed a very steady and satisfactory market in the British West Indies. They have now been virtually eliminated; not only has the supply of automobiles been cut off, but standard parts and accessories have been subjected to most hampering restrictions.

Undoubtedly the reduction in our exports to the British West Indies is due to three factors. One, the shortage of dollars over the entire sterling area; two, increased competition on a price basis following the devaluation of the pound in relation to the dollar; three, the increasing availability of goods from other countries as trading conditions return to normal. In pre-war years, total purchases by the British West Indies from Canada were only about $14 million a year. Obviously many other countries were at that time participating in the trade of the islands. The marked subsequent increase of our export trade was the result of various factors, among them the unavailability of goods from some of the traditional suppliers.

Of the causes I have cited, undoubtedly the first, the over-all sterling shortage of dollars, is the most important. As honourable senators know, the United Kingdom acts as banker for the sterling areas, and in that role allots to the British West Indies a supply of dollars with which to purchase our goods. The question of how much all the sterling areas can afford to purchase is, therefore, vitally important. Another relevant circumstance is that until comparatively recently the value of imports from Canada by the British West Indies materially exceeded that of her exports to this country. Undoubtedly this fact was used by the United Kingdom authorities as an argument for the restriction of the import of Canadian goods to that area.

But beginning with 1949, as was pointed out by the honourable senator from Queens-Lunenburg (Hon. Mr. Kinley) and confirmed by the honourable senator from Southern New Brunswick (Hon. Mr. McLean), a change has taken place. In the first half of this year we imported from the British West Indies goods of the value of three or four million dollars more than the total value of our exports to that area. If this trend should continue, as I expect it will, it would constitute a good argument why the United Kingdom should increase the allocation of dollars to the British West Indies for the purchase of Canadian goods. At the same time one must concede that, in circumstances of this kind, it is difficult to consider one segment or section of a problem in isolation from the problem in general.

As a result of the financial difficulty in which the United Kingdom finds herself, she proposes, as honourable senators, know, to drastically reduce her purchases from the dollar area. But, while giving weight to the over-riding consideration of the dollar income of the sterling area as a whole, for which the United Kingdom acts as banker, and to which to a certain extent she makes dollar allocations, it can be argued that if the position of the British West Indies has improved in relation to her exports to Canada, the dollar allocation should be increased, just as the reverse condition was held to justify a reduction in the dollar allowance.

Hon. Mr. Reid: May I ask the honourable leader if he has any information regarding the trading situation between the British West Indies and Great Britain? It would be interesting to know what it is. It appears

to me that it would be a factor in the question of the allocation by Great Britain of more dollars for purchases in this country.

Hon. Mr. Robertson: I am afraid I have not the information for which the honourable senator asks. I cannot undertake to explain the direct relation between the over-all shortage of dollars and allowances by Britain to various parts of the sterling area. I might however point out, as having some bearing on the matter, the present position of our trade with the United Kingdom. For the trading year 1948-49, purchases by the United Kingdom from the dollar area, including Canada and the United States were of the order of $1,600 millions. This amount she proposes to reduce next year, as a result of the stringent financial situation, to $1,200 millions. Of this sum about half will be spent on purchases from Canada. The deficit represented by the difference between what she buys from Canada and what she expects to sell here will be met, first, from the balance of the loan which we extended some time ago, and which now may again be used. You will recall that the loan amounted to $1,250 millions. At a certain time, because of our financial difficulties, further drawings on this credit were suspended. But with the improvement of our commercial situation, drawings have been resumed to the extent of $10 million a month. I am advised that at that rate the advance will have been exhausted about the end of 1950. The balance of the deficit is provided for by funds from E.C.A., which are made available for what are known as offshore purchases, including purchases by the United Kingdom of Canadian goods.

The action of the United Kingdom in curtailing so drastically her imports from the dollar area arises, of course, from the knowledge that our loan will have been entirely expended at the end of next year, and that E.C.A. assistance will expire in 1952. Strenuous attempts are being made to increase her exports to this country and the United States, but as yet it is too soon to say how far these efforts will succeed.

Honourable senators, this represents the clearest outline I can give of the over-all trade picture and the specific situation of the British West Indies.

The restricted state of trade between Canada and the British West Indies is not an isolated instance, and indeed I think in many ways the Maritime exporter to the British West Indies is in a relatively better position than some of the other Maritime exporters. The question is, what is the Canadian government going to do about it?

Under the circumstances it is very difficult for the government to make effective representations to the United Kingdom government, other than the general one of having the United Kingdom increase her over-all purchases to the greatest possible extent. Needless to say, in the difficult position in which the United Kingdom finds herself through the shortage of dollars, she elects what she will buy from Canada. Naturally she buys only those items which are most difficult or impossible to get from the sterling areas. It is probably true that while our purchases from the British West Indies are a part of the general sterling area purchases, any marked increase from that area would materially help the British West Indies in securing a larger allotment of dollars from the United Kingdom. Practically all of our sugar will be obtained from Empire sources this year, largely from the British West Indies. Canadian tariff duties have been waived to facilitate entry of approximately 600,000 cases of British West Indies fruit juices out of United Kingdom stocks.

I have been advised that representations have been made as to the desirability of maintaining the maximum flow of goods from Canada to the British West Indies. This is being done in order to facilitate and make possible a continuation of the shipping facilities with this area, because it must be perfectly obvious that if two-way cargoes are not available, the shipping facilities may be considerably and materially lessened.

Honourable senators, the government is particularly anxious that the volume of exports from Canada to the British West Indies should not drop to the low pre-war level. As I pointed out before, the total exports to the British West Indies were only about $14 million a year. They never exceeded this amount, and a grave question arose as to whether or not the rather heavy shipping costs being incurred by Canada justified the relatively low export trade.

It is difficult to say what action the government can take other than, perhaps, follow the suggestions which I have outlined.

Honourable senators should remember that important as this trade is to those engaged in it, and desirable as it is to maintain the trade, other Maritime exporters are faced with even greater problems, at least from a dollar and cent point of view. In the face of changing times and the difficulties this country is bound to encounter in matters such as this, it is indeed fortunate that alternative markets are available. Industries should remember, as I believe they do, the good old principle that when you knock on the door

of one customer and you do not succeed, you knock on another door of another customer.

I know of an exporter in Nova Scotia who has almost completely lost his export market for lumber in the United Kingdom. I am not certain what his export volume was, but it equalled the whole export trade of the Maritime Provinces with the West Indies. Like the rest of us he hopes that in due course this United Kingdom market will return, but he has commenced to change his manufacturing processes in order to sell his product on the American market. Honourable senators will realize that the major export market for long lumber for the Maritime Provinces, particularly Nova Scotia, has been the United Kingdom. It has been a long-established market, and its specifications have been entirely different from those of the American market, which contemplate more manufacturing. Well, this particular exporter I have in mind probably lost far more heavily in his trade with the United Kingdom than did any individual exporter to the British West Indies, and he is now trying to establish markets in the United States.

In connection with the exportation of fish and lumber I would point out that it was said in this house and elsewhere that the fixing of our dollar at par would result in decreasing our sales on the United States market, or at least in the loss of a potential market. But it must be remembered that coincident with the devaluation of the pound sterling, the Canadian dollar was devalued by 10 per cent. This resulted in a corresponding advantage in the American market, which I am advised is now relatively good for both fish and lumber. These are possibilities which might be explored, and I hope soon to introduce legislation in the Senate which will indicate that the Department of Fisheries will inaugurate a campaign to induce the people of Central Canada, who have not been too well educated about the value of Atlantic fish, to eat more of this fish than they do at the present time.

In addition, there is of course the general need of endeavouring to import into this country from the sterling area far more than we have ever imported before. That may become a permanent need, and, as was said by the honourable gentleman from Churchill (Hon. Mr. Crerar), the problem of how to meet it will not be solved by any sleight of hand.

In pre-war days it was relatively easy for us to trade with other countries, and we hardly ever heard of inconvertibility of currencies. Perhaps the present inconvertibility may be a blessing in disguise, for it brings forcibly to our minds the fact that, after all, trade is the exchange of goods. This was a point made in the interesting speech delivered by the honourable gentleman from Southern New Brunswick (Hon. Mr. McLean). He reminded the house that when ships first sailed from the Maritimes to start trading with the West Indies, they took with them fish, lumber and other Canadian products, and that the chief interest of the owners of those goods was how much tropical produce they could get in return. As the honourable gentleman said, a few British pounds may have changed hands, but the important thing was the making of a deal for the exchange of goods between the two countries. But now our trade has developed to a point where this simple barter is no longer practicable.

I do not want to embark upon a very intricate subject, but I imagine that the convertibility of currencies is governed to a reasonable degree by balance of trade. The naked fact is that if we wish to sell more goods to the sterling area we must increase our purchases from that area.

There are, roughly, three ways in which we may do this. Probably the simplest way of all is by purchasing more tropical products which do not compete with commodities produced in Canada. One obstacle to this might be reluctance on the part of importers to depart from their traditional sources of supply. For instance, a firm which has for long years been purchasing goods in the United States might not wish to place its orders in an entirely different market, like the British West Indies. Another obstacle might be reluctance on the part of United Kingdom authorities to permit fruit juices and other foods to be diverted from British consumers, for certainly it cannot be said that there is an excessive supply of such foods in Britain.

A second means of increasing imports from the sterling area would be the purchase in that area of a portion of the capital goods or engineering goods which we now obtain from the United States. There might possibly be some objection to this course by people who are familiar with certain American goods and prefer them to the varieties obtainable in the sterling area. But this objection would probably not be very serious, as the goods are imported in any event and do not compete with our own products.

A third means would be increased purchases from the sterling area of goods that directly compete with products of this country. This method would present considerable difficulty. The fact is that the people in the dollar area, and particularly in the United States, have given away their

surpluses rather than take goods in exchange. In a recent report Mr. Dean Acheson stated that American exports over the last thirty-five years had exceeded imports by about $101 billion. In matters of trade we tend to follow the American pattern fairly closely, and there might be strenuous objection in this country to increased importation of goods that compete with Canadian products. Our attitude in this respect may be widely divergent from the principles advocated by Cobden and Bright, but there it is, and it presents a very serious difficulty in the way of increasing trade with the sterling area.

Let me try to give a practical illustration of this. I suppose that the ports of Halifax and Saint John are more keenly interested than any other Canadian cities in the export and import trade of this country with the sterling area, especially with the United Kingdom. By and large, the livelihood of the people in these ports depends upon the flow of commerce, in and out. It is of the greatest importance to them that our export trade with the United Kingdom should expand; but of course we cannot increase our exports to that country unless we buy more from it. Up to the time when the British currency was devalued, the chief argument heard here against buying more goods from Britain was that the prices were too high. Devaluation has changed that picture to some degree, though I have always felt that, even if prices were competitive, it would not be easy to increase imports of goods that directly competed with goods made here. For example, ocean-going ships built in Canada cost probably 50 per cent more than they would if built in the United Kingdom. Now, in Halifax there is a shipbuilding plant, and I venture to say that if my honourable friend from Southern New Brunswick (Hon. Mr. McLean) and I went down there and advocated that, by way of helping Britain to earn more dollars, and thereby to purchase more lumber and fish from the Maritimes, we should place some orders with shipyards in the United Kingdom, there would be a storm of protest.

Hon. Mr. Lambert: What would be the attitude in Vancouver and New Westminster?

Hon. Mr. Robertson: Exactly the same. That is one of the big problems.

Honourable senators, apart altogether from past and present markets for our lumber and fish, and regardless of whether the markets we have lost in the sterling area will be replaced by others, make no mistake that the over-all trade picture presents a serious problem to Canada. For the sake of argument let us assume that when our loan to Great Britain runs out she will have been unable to increase her exports to the dollar area. Let us further assume that those goods which she has regarded as essential purchases in the dollar area have become available in the sterling area. Under those circumstances it becomes quite obvious that Britain's imports from Canada would cease, with the result that the prosperity of this part of the world would be in grave danger. Ports which have no ships going in and out do very little business. There may be markets in Canada for our lumber and fish, but the problem which confronts us transcends the immediate dollar value and market price.

I wish to repeat something I said two years ago, namely, that the question of trade is one which warrants the attention of an appropriate committee of this house. We have here experts in all lines, particularly in the field of trade. No person in Canada knows more about the fish industry than my honourable friend from southern New Brunswick (Hon. Mr. McLean). His product goes all over the world. I now suggest that when parliament reconvenes, in a new session, an appropriate committee should undertake to investigate the vital problem of trade relations.

I close by quoting a paragraph from the concluding remarks of the honourable senator from Churchill (Hon. Mr. Crerar). Speaking recently on the resolution now before us, he said:

> I wish to say that this imbalance of trade, or this so-called dollar problem, is not something which can be cured by some sleight-of-hand on the part of a government here or anywhere else. Before we have passed through these troubled times we will have to exercise all the patience and forbearance we possess.

Some Hon. Senators: Hear, hear.

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX

CANADA'S TRADE WITH THE BRITISH WEST INDIES

Summary	1938	1945	1946	1948	1949 (9 months)
	$	$	$	$	$
Exports to:					
Bermuda	1,413,846	2,510,537	3,805,082	4,102,078	2,792,000
British Guiana	1,397,862	6,417,575	7,108,618	8,228,637	4,582,000
British Honduras	279,563	883,652	1,110,426	1,150,999	466,000
Barbados	1,077,350	4,750,392	6,205,367	5,653,721	4,117,000
Jamaica	4,442,408	14,404,089	15,499,596	12,350,472	6,810,000
Trinidad and Tobago	3,714,336	16,432,835	19,140,194	17,105,116	10,197,000
Other British West Indies	1,777,553	6,865,344	8,341,413		
Bahamas	.....	.....	.....	3,636,439	1,754,000
Leeward and Windward Islands	.....	.....	.....	6,177,313	3,605,000
Totals	14,102,918	52,264,424	61,210,726	58,404,775	34,323,000
Imports from:					
Bermuda	68,529	93,979	121,658	139,211	134,000
British Guiana	7,113,453	9,338,050	12,186,896	15,379,672	13,429,000
British Honduras	102,198	449,949	1,221,041	833,938	207,000
Barbados	2,131,749	5,466,019	5,548,102	6,386,811	4,347,000
Jamaica	6,192,385	9,273,433	10,483,862	9,557,013	14,072,000
Trinidad and Tobago	2,352,406	3,100,801	4,136,895	9,026,508	13,370,000
Other British West Indies	2,382,849	856,673	787,922		
Bahamas	.....	.....	.....	648,345	691,000
Leeward and Windward Islands	.....	.....	.....	308,125	185,000
Totals	20,343,569	28,578,604	34,486,376	42,279,623	46,435,000

CANADA'S EXPORT TRADE WITH THE BRITISH WEST INDIES

SELECTED ITEMS FOR 1938, 1945-1948 AND 1949 (Six Months)

Items	1938	1945	1946	1947	1948	1949* (6 months)
	$	$	$	$	$	$
Total	14,102,918	52,264,424	61,210,726	81,666,589	58,404,775	23,413,384
Food products:						
Flour of wheat	3,495,429	13,935,972	14,229,330	18,608,313	19,391,235	7,019,611
Potatoes, except seed	241,301	451,887	706,765	894,374	596,824	185,147
Butter	55,027	1,760,240	1,805,470	1,298,493	297,485	157,100
Cheese	311,111	346,924	353,622	280,427	349,576	57,068
Milk, evaporated	112,384	488,375	698,306	616,727	754,236	378,120
Cod, dried	422,977	959,301	1,197,573	1,133,464	835,049	1,177,013†
Salmon, canned	97,305	231,573	154,354	314,782	363,739	461,908‡
Manufactured products:						
Medicinal preparations	228,226	878,143	975,719	795,169	480,961	272,266
Paints, enamels and lacquers	133,592	500,331	516,606	1,023,040	381,247	103,780
Automobiles, passenger, new	778,417	5,875	692,496	1,961,848	308,994	16,190
Electrical apparatus n.o.p.	51,091	174,135	136,638	293,315	103,948	38,699

NOTE:
*Includes exports from Newfoundland April 1—June 30.
†Includes $739,872 from Newfoundland.
‡No canned salmon was exported from Newfoundland April-June 1949.

CANADA'S IMPORTS FROM THE BRITISH WEST INDIES

(Including British Guiana and British Honduras)

ALL VALUES IN CANADIAN DOLLARS

Canadian Statistical Number	Commodity	1938	1945	1946	1947	1948	First Half 1949
	Total, all commodities.....	20,343,569	28,578,904	34,486,376	33,614,180	42,279,623	26,312,644
77 and 78	Fruit juices (principally orange, grapefruit and blended juices)..	73,122	461,896	1,458,458	64,400	Nil	Nil
255	Molasses, Empire production....	1,731,668	1,787,653	2,143,147	3,229,503	3,842,198	846,920
262	Sugar, raw, imported by refiners	12,949,427	14,497,805	15,191,537	17,136,257	18,280,558	18,177,855
263	Sugar, refined and sugars, n.o.p..	88,782	463,577	623,698	837,337	945,384	66,278
271	Cocoa beans, not roasted.....	796,678	238,757	320,029	478,631	2,194,848	676,390
1514	Rum.....	149,107	1,547,543	2,562,524	1,723,259	1,657,031	579,025
6002	Bauxite Ore.....	1,471,093	4,474,351	6,414,443	5,391,625	7,070,960	2,328,463
7153	Crude petroleum for refining....	.....	.....	289,879	821,929	474,527	979,267
7154	Petroleum tops for refiners.....	.....	.....	.....	1,249,703	5,021,638	1,184,116

CANADA'S IMPORTS FROM THE BRITISH WEST INDIES

NOTES:

1. Fruit Juices

During first nine months of 1949 fruit juices (orange, grapefruit and blends) in the amount of $635,188 were imported from the United Kingdom. Most, if not all, of this was of British West Indian origin.

During the third quarter of 1949 grapefruit juice in the amount of $35,899 was imported direct from Jamaica and Trinidad.

2. Sugar

During the past few years the greater part of imports of sugar for refining have switched from the British West Indies to such non-commonwealth sources as Cuba and the Dominican Republic. However, in the first eight months of 1949 the position was reversed with almost three-quarters of the Dominion's supply coming from the British West Indies.

3. Molasses

Molasses imports during the first eight months of 1949 have been greatly reduced from the 1948 figure, all sources having been affected.

4. Bauxite Ore

There is no evidence of seasonality in bauxite imports from British Guiana. During the two summer months an additional $2\frac{1}{4}$ million worth was received.

THE SENATE

Tuesday, November 22, 1949

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

Prayers and routine proceedings.

CUSTOMS BILL

REPORT OF COMMITTEE

Hon. Salter A. Hayden presented and moved concurrence in the report of the Standing Committee on Banking and Commerce on Bill D-6, an Act to amend The Customs Act.

He said: Honourable senators, the committee have, in obedience to the order of reference of November 17, 1949, examined the said bill, and now beg leave to report the same without any amendment.

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, now.

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

DAYLIGHT SAVING

MOTION

Hon. W. D. Euler rose in accordance with the following notice:

That in the opinion of the Senate the practice of daylight saving should be made uniform as to the day and hour of its commencement and its termination and that the Railways of Canada should conform to the general practice so established.

He said: Honourable senators, I am quite sure there will be no misunderstanding as to the purpose of this motion. It is not my intention to discuss the merits or demerits of daylight saving. The practice of daylight saving has been well established throughout Canada on the definite principle that an hour of daylight is preferable to an hour of darkness, and daylight saving is here to stay. That being so, it then follows that the practice should be made as efficient as possible so as to give the greatest benefit to all the people of Canada, and that we should do away with the variations in time which have become so confusing and inconvenient. It can hardly be denied that daylight saving, in order to fill its maximum usefulness to the public, should be uniform in its application. It is now far from being so, with the result that the public is subjected to a state of confusion, inconvience and chaos, which should not exist in a country conducting its affairs intelligently and with an eye to efficiency and orderliness.

One leading factor which contributes to this confusion is that the railways of Canada do not conform to the practice even during the summer months, when all cities, towns and municipalities are on daylight saving. For example, the city of Ottawa today is on daylight saving time and the city of Montreal is on standard time. Most of the communities along the St. Lawrence river and Lake Ontario as far as Toronto are on daylight saving time, as is the city of Toronto. London is on standard time, and the city of Guelph has been on standard time for some considerable period. The city of Kitchener, which is 15 miles away from Guelph, reverted to standard time after Guelph did, and the city of Brantford went on standard time somewhat later than Kitchener. If a man from Kitchener—I hope to be pardoned for mentioning my own city—travelled to Toronto by train he would arrive in that city at 10 o'clock Kitchener time but 11 o'clock Toronto time. This means that he could hardly do any business during that morning. If a man in London, which is on standard time, were called to a meeting in Hamilton, which I think is on daylight time—

Hon. Mr. Haig: Right.

Hon. Mr. Euler: He would not know—unless he inquired in advance—whether Hamilton was on daylight saving time or standard time. He might arrive there just at the conclusion of the meeting, or at least he would probably be an hour late. On the other hand, if a man from Hamilton went to London to attend a meeting, without first making inquiry as to the time in effect at London, he might arrive an hour too soon. Likewise, if he went to Kitchener, he would probably arrive there an hour too soon; but of course that would not be any great—

Hon. Mr. Hayden: Hardship.

Hon. Mr. Euler: It would not be any great hardship, for, without casting any reflection upon Hamilton, I think that almost any man would prefer to spend an extra hour in Kitchener. I have not made a check of all cities, but I have no doubt that other members of this chamber could give many more examples of confusion, inconvenience and chaotic conditions caused by the fact that some cities are on daylight saving time when others are on standard time.

It would seem, therefore, that little argument is necessary to show that a uniform

practice as to daylight saving time throughout the country is advisable. It is uniformity that I am advocating. I wish to emphasize that I am not discussing the question whether or not we should have daylight saving. We have it, and it is going to stay. That being so, I submit that for the sake of public convenience there should be a uniform date throughout the country for the commencement and termination of daylight saving. It seems to me that the only way to bring about that uniformity is to have the date of commencement and of termination set by a central authority, and I think that the appropriate central authority for this purpose is the federal government. I should like to see an Act passed empowering the Governor in Council to declare every year the dates of commencement and termination of daylight saving for the whole country.

As some people may raise the question of jurisdiction, I have purposely made my motion merely an endorsation of the general principle of uniformity. If anyone inquires whether it would be within the legislative power of the federal parliament to pass an Act relating to daylight saving, I would point out that that very thing was done in 1918. At that time I was a member of the House of Commons, as were a number of others who are now my colleagues in this house, including the senator from Westmorland (Hon. Mr. Copp), my desk mate, the senator from Churchill (Hon. Mr. Crerar), the senator from Saltcoats (Hon. Mr. Calder), the senator from Royal (Hon. Mr. Jones), the senator from De Lorimier (Hon. Mr. Vien) and I think the senator from Lunenburg (Hon. Mr. Duff). In that year the Borden government—the Union Government, as it was called—introduced a bill to establish daylight saving from coast to coast throughout Canada. As I recall, the bill was adopted without much opposition and it worked very well. It is a short measure, and with your permission I shall read two or three of its clauses, for they bear directly upon my motion. The Act, which was assented to on the 12th of April, 1918, reads:

> This Act may be cited as The Daylight Saving Act, 1918.
>
> During the prescribed period in each year in which this Act is in force, the time, for general purposes in Canada, in each province, shall be one hour in advance of the time which under the law of the province is the time prescribed for such province, and, if there is no time so prescribed, of the accepted standard time.

Section 3, which I regret was not as I would have wished it, reads:

> This Act shall be in force during the present year for such time as may be prescribed by the Governor in Council.

To my mind it should have been in perpetuity.

Section 5 reads:

> The Board of Railway Commissioners for Canada shall have power to advance by one hour the standard time used by the railway companies, including government railways in Canada, for such period as may be prescribed by the said board, and to make such orders as may be necessary for the convenient carrying out of the provisions of this Act in so far as railway companies may be affected thereby.

As I remember it, the bill passed with little or no objection. It was not a political question. Two days after the coming in to force of the Act on April 12, 1918, the government passed Order in Council No. 898, setting 2 o'clock Sunday morning, April 14, for the commencement of daylight saving, and the morning of October 31 for its conclusion. I am not suggesting that that should again be the term of daylight saving time. The Governor in Council has the right to fix the dates of commencement and termination of such a practice.

The Board of Railway Commissioners, on April 12, passed Order No. 227, directing the railways to advance their clocks one hour for the period I have mentioned. Thus, we had daylight saving uniformly throughout the whole of Canada, and I think it worked very well. The practice was not renewed the following year because of certain objections which I need not mention here.

I may be asked why I have not introduced a bill, such as was passed in 1918, instead of the resolution now before us. There are a number of reasons. One reason—an unimportant one—is that bills which I have introduced from time to time in this house have not met with a great deal of success.

Some Hon. Senators: Oh, oh.

Hon. Mr. Euler: My second reason for not following that course is that time is running out, and with pressure directed toward the prorogation of parliament there is not sufficient time to deal with the matter this session. If uniformity of time is desirable, the proper procedure would be for the government to introduce a bill similar to that of 1918; and if I may be so bold, I would say that I should be very glad if the leader of the government in this house would introduce such a bill. I presented my motion in the hope that it would be favourably received. Perhaps I should have added to it the provision that the matter be submitted to the government, in the hope that next year action be taken early enough to put the practice into effect for the 1950 summer season. I believe such a movement on the

part of the government would be favourably received by the majority of the Canadian people.

Some Hon. Senators: Hear, hear.

Hon. Thomas Vien: Honourable senators, I have much pleasure in supporting the resolution just presented by the honourable senator from Waterloo (Hon. Mr. Euler). I think the subject matter is a highly desirable one.

Hon. Mr. Roebuck: Will the honourable senator address himself to the constitutional question?

Hon. Mr. Vien: I am coming to that point.

As to the expediency of bringing the matter before the Canadian public and the desirability of the subject matter, I am sure there is unanimity of opinion. Whether Parliament has jurisdiction or not, I think it is desirable that the matter be brought to the attention of the public. The inconvenience to which the mover has referred should be eliminated. For instance, the difference in time between such cities as Hull and Ottawa, Montreal and Toronto, and even between cities within the province of Ontario, is a matter of serious concern to a great many people. Therefore I say that from the point of view of the expediency of bringing this question to the attention of the Senate, and the desirability of accomplishing the intention and purpose of this motion, I am wholly in favour of it.

My honourable friend the senator from Toronto-Trinity (Hon. Mr. Roebuck) has raised a question. As my attention was brought to this motion only as recently as lunch-time today, I have not had time to refer to and review the discussion which took place with respect to the constitutionality of federal legislation on this subject. If my memory serves me correctly, serious doubts have been entertained as to the power of the federal parliament to deal with a matter of this kind.

As I recall, the subject of daylight saving was first introduced into parliament by Sir George Foster, who, in the absence of Sir Robert Borden in England, was acting as leader of the government in another place. At that time there were many expressions of misgiving. I recall particularly that the western members voiced the objection that no matter how much you might advance the clock you would not advance the rising of the sun, and that the workers, who came out from the cities or small towns in truckloads, would arrive too early to do any useful work, because the dew was still on the ground, and further, would insist upon returning to their homes long before sunset. I recall that in the rural constituency of Lotbiniere in the province of Quebec, for which at that time I was member, the farmers said they liked "l'heure du Bon Dieu mieux que l'heure de Monsieur Borden".

Some Hon. Senators: Oh, oh.

Hon. Mr. Vien: They liked the hour of our Lord God much better than the hour of Mr. Borden. That was the reaction among our farmers. But when the law had been in effect for a few years, everybody, I think, admitted that "summer time" was of great advantage to the vast majority of the people of Canada; and the law which was introduced at the time of the War Measures Act was continued without very much objection.

As regards the question put by the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) I am not prepared to offer any considered opinion. If I remember correctly, great doubts were expressed and, as far as I can recollect, the question was never decided. I myself have considerable doubt about it, because I cannot find in the wording of the British North America Act any definite stipulation or disposition which would govern the case.

Hon. Mr. Roebuck: "Peace, order and good government."

Hon. Mr. Vien: Yes, those words cover a multitude of sins, but they are not all-inclusive.

I congratulate the mover of this motion. It is timely: it will bring to the attention of all concerned the expediency of adopting, whether through the Parliament of Canada or the provincial legislatures, enactments which will gradually bring about a uniformity in fixing the time of the clock.

Hon. R. B. Horner: Honourable senators, I am strongly in sympathy with the honourable senator who moved this motion—that is, so far as the confusion caused by cities having different times is concerned; but I am opposed to changing the time at all.

The honourable senator from De Lorimier (Hon. Mr. Vien) referred to the complications arising from daylight saving in the West because of the dew. It is not so much the dew as the frost which causes the difficulty. On many mornings in May one may be held up by frost until 9 o'clock; and if you have hired help and are endeavouring to work your men on the basis of a modern "day" you lose valuable hours if you attempt to operate on fast time.

As to the legal point, I speak of course as a layman; but I believe the federal enactment of daylight saving time was possible only by reason of the War Measures Act, because a

year ago it was a provincial body, the Government of Alberta, which passed a law making it illegal for anyone in that province to alter time. Either in so doing the Alberta government exceeded its powers, or the federal government has not authority to pass legislation affecting the whole dominion. In any case I am opposed to a change at all. If a person wishes to have the advantage of an extra hour of daylight, and it is his practice to go to his office at 9 o'clock, for the life of me I cannot see why he cannot go at 8 o'clock instead, or why it is necessary to make these changes from one time to the other by statute. The daylight hours are not lengthened one minute.

Hon. Norman P. Lambert: My colleague from Blaine Lake (Hon. Mr. Horner) has expressed a viewpoint on behalf of the West, concerning the danger of the effect of frost in connection with the handling of grain. I, being a small farmer, should like to speak on behalf of the farmers of Ontario. I am quite sympathetic towards urban dwellers like the honourable senator from Waterloo (Hon. Mr. Euler), who has spoken properly and quite adequately on behalf of the city men, the factory workers, and the baseball fans who are interested in extended evenings during the summer months and the early fall. But I think the fact has been overlooked that this issue is one between what is roughly called town and country, and that it will remain insoluble until a great many years have passed and the millenium has arrived, because, no matter how uniformly this legislation may be made to apply, even to the vast majority of the people of this country, it cannot create a uniformity of habit and practice on the part of dairy cows, poultry and horses, or even of the birds that chirp at one's window at the correct time every morning, regardless of daylight saving plans.

Possibly those who want daylight saving are not unlike the cock, that character of Rostand's "Chantecler," who thought he made the sun rise every morning when he started to crow. We who live in the country believe that the rooster crows when he sees the sun rise, which is just the reverse procedure. I am quite in favour of my honourable friend from Waterloo (Hon. Mr. Euler), and those who lead an industrial and urban life, enjoying all the daylight saving they want; but I still insist that in the country we have to be governed by the laws of nature, and respond to the awakening calls of the barnyard poultry and the demand of the cows to be milked. Incidentally, if we were to inquire why our railway schedules run as they do, we would find that they are based on Canada's fundamental and basic needs which originated in our rural districts.

Hon. Mr. Vien: May I ask my honourable friend whether he is not of the opinion that if the hands of the clock are to be tampered with, the tampering should be uniform?

Hon. Mr. Lambert: I do not think it is possible to establish a uniform time which would apply to all classes of this community.

Hon. Mr. Euler: We had it before.

Hon. Mr. Lambert: Yes, but I doubt whether it ever really applied. I know that where I live most of the year, the farmer pays no attention whatsoever to daylight saving, and I adjust myself to him.

Hon. Mr. Euler: There is no objection to the farmer doing what he likes.

Hon. W. Rupert Davies: Honourable senators, it is rather difficult to keep track of the honourable senator from Ottawa (Hon. Mr. Lambert). When we are discussing something which financially affects the city of Ottawa he becomes an urban dweller, and when we are discussing a matter which affects daylight saving time and the crowing of roosters, he becomes a rural dweller.

Some Hon. Senators: Oh, oh.

Hon. Mr. Davies: I have much sympathy with the suggestion of the honourable senator from Waterloo (Hon. Mr. Euler), but I do not think it is practical. The question of daylight saving as it concerns the Kingston area has been raised many times. The city is on daylight saving, the country is on standard time, and that is the way it goes on. Whether or not it is because it is a small country, the entire United Kingdom has uniformity of time, and this includes the railways. All go on daylight time together. I might say that during the war they even had double-daylight saving time at the height of the summer season.

I am wondering whether the railways of the United States plan to change from standard to daylight time, because if we should change to daylight time and they should not, I think it would cause a great deal of confusion to travelers passing through such border points as Buffalo and Detroit.

While I appreciate the idea behind this motion, I feel that we should continue the present system. There is no doubt that farmers dislike daylight saving time. I have talked to many of them, and I know it causes them inconvenience. On the other hand, we must think of the many factory workers in the cities and towns. They should be allowed to have daylight saving in order that they may enjoy baseball, golf and other activities which are perhaps necessary in a full urban life.

Hon. F. W. Gershaw: Honourable senators, I should like to endorse what the honourable member from Blaine Lake (Hon. Mr. Horner) has said. Our farmers are rather confused by daylight saving. For instance, sometimes they hurry into town in the afternoons on urgent business only to find everything closed up. Another point is that children do not like to go to bed when the sun is still shining. Alberta is strongly opposed to daylight saving and has legislated against it.

I quite appreciate what has been said about sports and the saving of electric power resulting from daylight saving; but farmers are definitely opposed to it.

There would also be trouble with the railways, because in Canada we have Pacific time, Mountain time, Central time, Eastern time and Atlantic time, and in making out their schedules months ahead the railways must have regard for the way the earth goes around the sun. If the railways had to re-adjust their schedules in accordance with daylight saving, the complications which now exist would be greatly increased, and the confusion would be tremendous.

Hon. A. L. Beaubien: The honourable senator from Waterloo (Hon. Mr. Euler) is always interesting because he has a habit of introducing subjects which are more or less controversial. This is one of them. There was a move in the Manitoba legislature last year to abolish daylight saving, and the only reason the measure did not carry was that a large percentage of the members represented rural parts of the province. An undertaking was given that a referendum would be held in Greater Winnipeg, asking the ratepayers whether or not they were in favour of daylight saving. This referendum was recently held, and the majority in favour of daylight saving was very small. I think the honourable leader of the opposition will verify this.

Hon. Mr. Paterson: Was not the reason given that it was purely to save electricity?

Hon. Mr. Beaubien: No. We in Manitoba are better equipped in the matter of electric power than you are in Ontario. We do not have to save power, because we have an abundance of the cheapest power in the world. In any event, the referendum in Greater Winnipeg was carried by only a small majority.

Whether or not legislation is adopted to put daylight saving into effect, rural people will not accept fast time. So what is the use of bringing it about if a large percentage of our population will not accept it and work together voluntarily? If city people want to have an hour more daylight at night, let them get up earlier in the morning and go to work at eight o'clock instead of nine and quit at four o'clock instead of five.

Hon. Mr. Euler: The same principle, reversed, would apply to the farmer. He could adjust himself to it.

Hon. Mr. Beaubien: The farmer has no time to adjust himself to these things. His seasons are short; he has to do his work in a certain time or he will not long remain on the land.

Hon. Mr. Euler: He can do his work in daylight no matter what the clock says.

Hon. Mr. Lambert: He cannot train the cows though.

Hon. Mr. Beaubien: My honourable friend from Waterloo (Hon. Mr. Euler) may be better acquainted with the farm situation than I am, but I happen to be a farmer and I live amongst farmers.

Hon. Mr. Euler: Oh, I have been on the farm.

Hon. Mr. Beaubien: Not very often. I am of the opinion that the question of daylight saving should be left to the discretion of the people, but I do not see how we are going to enforce it no matter what legislation is put on the statute books. The people in rural sections, who make up a large part of our population, find daylight saving confusing, and do not want it. As far as I am concerned, I am against it.

Hon. J. P. Howden: Honourable senators, I am all for daylight saving. I remember when it was first adopted in Manitoba, and the extra hour of daylight was, I believe, very generally appreciated. At the time I was mayor of a small town out there. An extra hour of sunshine in the morning is very beneficial to children. Naturally, they do not get up before their parents, and adults in cities stay in bed long after daybreak. Farmers object to daylight saving, but they regularly get up three or four hours earlier than city dwellers do. That is all very well. There will always be a see-sawing between rural and city people over certain things, and daylight saving is one of them. I suppose that the only way to settle the question whether people want daylight saving or not is to have a referendum.

I myself rise early, and for two or three hours I have nothing but desolation to look at. I should like to see city dwellers get up at an early hour in the summertime, not at eight o'clock but at six o'clock, for I believe that sunshine is good for people. It is good for their health; it is good for their digestion,

if you like. By sleeping late in the morning most people miss the finest part of the day. I am all for daylight saving.

Hon. S. S. McKeen: Honourable senators, I think there would be no controversy over this matter if the suggestion made by the senator from Blaine Lake (Hon. Mr. Horner) were followed. After all, nobody disputes that factory workers and other residents of cities benefit by an extra hour of sunlight daily during the summer, but in order to benefit in this way it is not necessary to advance the clock. Surely, in any community, people who wish to enjoy an additional hour of sunlight after work can begin work an hour earlier than usual and quit an hour sooner.

Many difficulties would be met with in trying to make daylight saving uniform. For one thing, even if we made the attempt, in Canada we could not avoid confusion arising from the fact that some states across the American border adopt daylight saving and others do not. It seems to me that we might as well try to set uniform hours for the rise and fall of tides. Out on the west coast, where we have a lot of shipping, it is important to know when tides rise and fall, and a mistake of an hour might cause a serious accident.

It has already been pointed out that the farmer gets up with the sun, in any event, so it is not necessary to have daylight saving time for him. And certainly people in cities can, if they wish, arrange to start their work-day in summer an hour earlier than in other seasons. There is no question that an extra hour of sunlight is good for children and for factory and office workers, but the point is that we do not need to change the clock in order that they may get this extra hour.

Hon. J. P. McIntyre: Honourable senators, I do not wish to oppose the motion of my honourable friend from Waterloo (Hon. Mr. Euler), although on some three previous occasions I have been against legislation that he has brought before the house. We live in a democratic country, and one of the principles of democracy is majority rule.

In my own province of Prince Edward Island about 75 per cent of the people live in rural sections. Last year the city of Charlottetown wanted to adopt daylight saving, but the rural population was utterly opposed to it. In order to prevent confusion our government—unlike the Government of Alberta, to which the honourable gentleman from Blaine Lake (Hon. Mr. Horner) referred —declared adoption of daylight saving in the province to be illegal. I think this was a wise move, because the people in the rural sections, the great majority of our population, did not want daylight saving at all.

Hon. J. J. Kinley: Honourable senators, the question raised by the motion of the honourable senator from Waterloo (Hon. Mr. Euler) is one of great interest, as is indicated by the large number of members who have taken part in the discussion. I imagine that almost every citizen in Canada has his or her views on daylight saving. In speaking to his motion the senator from Waterloo said that he was seeking uniformity. I agree that uniformity is desirable, but it may be obtained in its best form without daylight saving at all.

Time is of importance to everybody, even to politicians. I am reminded of the story of a politician who excused himself for making a long speech by pointing out that there was no clock in the hall. A member of the audience shouted "But there is a calendar behind you."

Some sixty-five years ago nearly every place in Canada had its own time. In that era, when a distance of a few miles meant a day's travel, lack of uniformity in time was not of such great importance as it has become now that railroads, airplanes and radio have made rapid travel and communication possible.

Somebody has said that the farmer does not like daylight saving. I know that, for I have a farm myself, and there are a good many farms in my section of Nova Scotia. Daylight saving would not make farmers get up an hour earlier than usual, but their help would want to quit an hour earlier in the afternoon. That would mean the loss of perhaps the best hour in the day for work on the farm.

As I come from one of the Maritime Provinces I must also point out that I do not think daylight saving would be good for the fisherman. He has to get up before daylight, anyway. When at sea it would not matter to him what time system was in vogue on shore, for when a ship is out of sight of land it is in the meridian time zone.

It was in 1878 that Sir Sandford Fleming first suggested the general use of what are now called standard time zones, and his suggestion was adopted in 1884. Under his plan Canada was divided into six time zones; and now, with the entry of Newfoundland, we have seven. There is, I think, about twenty-nine minutes' difference between Atlantic standard time, which we have in the Maritime Provinces, and Newfoundland time, which is three hours and thirty-one minutes behind Greenwich time.

The standard time zones in Canada, in addition to the Newfoundland zone, are known as Atlantic, Eastern, Central, Mountain, Pacific and Yukon. Each zone includes all the territory between two meridians, fifteen degrees of longitude apart. Difference in time is calculated at four minutes to a degree of longitude, but for purposes of convenience uniform time prevails throughout the zone. Immediately one passes over the boundary of any zone the time changes by an hour, backward or forward, depending upon whether one is going west or east. Of course, in proportion as places are situated in a more northerly latitude, their days are longer in summer even without daylight saving. This is probably the reason why in the Canadian West, where in the settled areas the summer day is an hour or even two hours longer than in the industrial East, daylight saving is not in vogue.

I recall during the war years, when we had daylight saving time one winter, that our help in the shipyard would come to work at 8 o'clock in the morning, and as there was no artificial lighting they could do little until 9 o'clock. That is a reason against the idea of daylight saving time.

Uniformity, of course, should be the main purpose behind any time arrangement. I can think of no better uniformity than we have had with standard time, since its adoption at the Washington Conference of 1884. The question of time is a matter of provincial concern, and all arrangements made since that conference, except during wartime, have been made by the provinces. But I believe that time is of such general concern to Canada that we might well raise the point of provincial jurisdiction in this field, and perhaps by arrangement come to uniformity by federal control throughout Canada.

If there is one question which should be federally controlled in a positive and simple fashion, I think it is time. After all daylight saving time is only a device to try to conform to the habits—perhaps bad habits—of many people. There is no reason why the people in the cities could not get up an hour earlier, or why the country folk should be asked to conform to a time which is entirely strange to them.

For these reasons I would hesitate to say that daylight saving time has done us any good. Workmen in our plant are largely in favour of the summer time, as it is called in England, because they like to have an extra hour of sunlight after their day's work ends at 5 o'clock. Perhaps, with the use of modern machinery, the day will come when men will not have to work until 5 o'clock. Some businesses now operate only until noon on Saturday, and others close for the whole day. With the shortening of man's hours of labour it may be that the workman would be in favour of leaving time as it is.

I congratulate my honourable friend for bringing the matter before the house. The subject is a timely one, but at present there is much confusion about it. On the question of whether the Senate should recommend the universal use of daylight saving time, I am not sure; but above all I think that time should be uniform.

Hon. Vincent Dupuis: Honourable senators, I cannot recall a debate in this house since I have been a member which was participated in by so many senators as this one. I have been wondering why there is so much interest in the question. The reason which occurs to me is that honourable senators realize how precious is time. I conclude that my honourable colleagues feel that time is slipping away fast enough, and that we should be content to go on God's time, therefore the consensus of opinion seems to be opposed to fast time.

The question of jurisdiction has come up since 1918, when my distinguished colleagues and others were members of the House of Commons—I should say the other place—

Hon. Mr. Euler: Leave it at that.

Hon. Mr. Dupuis: —and the courts have not settled it. To my mind the question of time comes under the control of the provinces —I would even go further and say that it is a municipal and even a personal right. Whether I get up with the sun or an hour later is a matter of personal choice. The question of provincial jurisdiction is so sacred, and the concern about provincial autonomy is so strong on the part of the Premier of Quebec, that I am sure his next open letter to the newspapers will be to this effect: God and I are the only ones who can fix time.

Some Hon. Senators: Oh, oh.

Hon. Mr. Dupuis: This question is of considerable concern to the farmers. Only a minority of the citizens of this country belong to unions, though we seem to think in terms of an 8-hour day and a 44-hour week. For instance, the doctor does not belong to a union, nor does the lawyer.

Hon. Mr. Euler: What about the Bar Association?

Hon. Mr. Dupuis: As far as hours are concerned the lawyer does not quit work when the clock strikes 5; neither does the doctor or the farmer.

There is easy communication between the urban and rural populations today, and sometimes the farmer goes to such cities as

Montreal or Toronto to hire help. If he gets a man who has been accustomed to working the hours fixed by a union and, who when the farmer gets up at half-past 4 or 5 o'clock to go to the field to get the horses or milk the cows, insists that he will not start work at that hour, the arrangement is impractical. As the son of a farmer, I am sure my father would have been very unhappy had I decided to advance the time one hour and quit work at five o'clock instead of 6. Of course in those days we worked until the sun set; and sometimes, when there was hay or grain to be brought to the barn, we unloaded it by lantern light.

If one visits the western provinces, as I did some years ago, one finds that at such places as the Pas, the Peace River District, Prince Albert or Lake Waskesiu, which is about a hundred miles north of Prince Albert, the people are able to read their newspapers on their verandahs at 11 o'clock at night.

Would the farmers there be willing to accept a change by which time was advanced one hour? No, sir.

In a country as vast as this, with such great differences in latitude and longitude, uniformity or unanimity is impossible. I for one am in full accord with those who think that if the urban dweller wants to play golf or attend a baseball game a little earlier, he should exercise his right to leave his office an hour or so earlier.

Hon. Cyrille Vaillancourt: I realize, not for the first time, that although the war has been over for more than four years the question of daylight saving time has not been settled, because each section of the community wants to act in its own interests. Reference has been made to the position of the farmer. One day I asked a lady what were her views as regards standard time and daylight saving time. She said "It is the same thing for me; but when I ask my cow and my hens, they refuse to change their clocks." The same limitation affects farmers, who cannot work before the sun has dried the soil, or melted the frost.

Conditions are not everywhere the same; we can progress only by compromise. One cannot expect to exercise a right without regard to others; but if we co-operate, if we show a spirit of charity and harmony, we shall arrive at a solution while preserving the unity of the nation, and the question of legal constitutionality or unconstitutionality will be of less concern. As people advance they adopt many new methods and processes; and instead of being controlled by our own brains and intelligence, we are controlled in the streets by red and green lights, and in this matter we are controlled by a clock.

Hon. John T. Haig: I may not be here on Friday, and present indications are that the debate may last at least until then and that the Senate may have to sit on Saturday in order to finish it.

When I first read in the record that the honourable senator from Waterloo (Hon. Mr. Euler) was putting forward a motion about daylight saving I said, though I did not know its exact terms, that it would produce more debate in this chamber than any other subject. It has already done so. I gather from the fact that my honourable friend from Toronto-Trinity (Hon. Mr. Roebuck) appears to be getting ready to adjourn the debate, that he intends to carry it on tomorrow. He raises the question of jurisdiction. The dominion government can institute daylight saving in relation to all mattters which come within dominion jurisdiction. For instance,—

Hon. Mr. Hayden: The railroads.

Hon. Mr. Haig: —the railroads would be bound by such legislation; so would the civil service, and the post office.

Hon. Mr. Hugessen: And the banks.

Hon. Mr. Haig: And the banks. All those spheres are within the jurisdiction of the Dominion Government. But as regards the hours at which schools and courts shall open, provincial legislation would apply. So to my mind it has always been a case of split jurisdiction in which, perhaps, the cities also are involved. The Act passed in 1918 was not war legislation, but an ordinary statute of the Canadian Parliament. Our fundamental difficulty may be illustrated in this way. A man comes from rural Manitoba to the city of Winnipeg: he looks at the city hall clock and sees that it is half-past eleven; he looks at his watch, which indicates only half-past ten; and he uses some hard language against the citizens of Winnipeg for having such a fool system. But in 1918 his time was half-past eleven too, exactly the same as city time.

Hon. Mr. Aseltine: And he never noticed the difference.

Hon. Mr. Haig: Once uniform time is in effect for two or three days you think no more about it. Take the case of those of us who live in the West. I get on the train at Winnipeg according to ordinary standard time. That night before I go to bed I advance my watch one hour. I arrive at Ottawa, where we have daylight saving, and I put on my watch another hour. During those two or three nights or days I have a good deal of trouble; I cannot get to sleep at 11 o'clock because I am not used to retiring at that time; it is midnight or past before I feel sleepy. Half-past twelve here is half-past ten at

Winnipeg. But inside of a week I have ceased to notice any difference. This morning when I rose, at half-past seven, I was not affected by the fact that it was only half-past five at Winnipeg. I ate my breakfast at a quarter-past eight and enjoyed it just as much as if I had been eating it in Winnipeg at a different hour. It is not daylight saving which has caused the hard feelings. They have been caused by the railroads, for instance, which operate on standard time. A man notices that his train leaves at 8 o'clock, and because of the different time standards he gets down an hour too early.

Everyone of us can remember that in 1918, a week after daylight saving was enacted you never heard the subject mentioned at all. Specifically, the farmers never mentioned it. What makes the farmer mad—and I understand how he feels about it—is that he thinks we city people have swelled heads and imagine ourselves to be better than he is. That is not so. In fact most of us come from the farms. I can speak with some authority, for I was raised on a farm. But when the farmer comes to town and finds another system in effect, he is angry. So would some of you be if you went into the country to keep an appointment and found yourself there an hour too soon. I agree with a previous speaker that if we had a set time authorized from the 1st of May to the 1st of November, within a week everybody would accept it and nothing more would be heard about it.

My honourable friend from Blaine Lake (Hon. Mr. Horner) says that we should get up an hour earlier. If we had daylight saving the farmers could stay in bed an hour longer. They would not need to get up at six o'clock any more; they could get up at seven o'clock like city people do. Believe me, I have never yet seen the farmer who could not acquire this habit mighty soon. He can fall into it just as quickly as the next man.

Hon. Mr. Horner: Your knowledge of farmers is very limited.

Hon. Mr. Haig: That may be so, but I know enough about them. Now, the only reason why there is any opposition to daylight saving in Winnipeg is the fact that the rural districts of Manitoba are on standard time, and there is always a clash between the two. The recent referendum in Winnipeg proved that the majority of the people wanted daylight saving.

Hon. Mr. Beaubien: It was only a small majority.

Hon. Mr. Haig: Well, six out of the eight districts voted for daylight saving. Although I believe in daylight saving I would have voted against it had I been there. I believe the people of Manitoba should have an extra hour of sunshine during the summer months, but I do not favour daylight saving when it results in a clash between two elements.

The honourable senator who introduced this motion (Hon. Mr. Euler) argued that we have got to have uniformity. In that I agree with him, because without it the thing is a failure.

I hope honourable senators will pardon a personal reference. I have to go to Hamilton on Friday to attend an important meeting there. As soon as I knew this, the first thing I did was to inquire whether Hamilton was on daylight saving or standard time. Otherwise I might have landed in Hamilton an hour early, and honourable senators will appreciate what a strain it would be to arrive in that city an hour too soon. Perhaps, as there is no one here from Hamilton, I should not say too much about that city.

We can pass this motion and still be opposed to daylight saving or in favour of it, as the case may be. The motion before the house is simply a request that daylight saving be made uniform across Canada. If it is the judgment of the people of Canada that we should have only standard time I will not object, but I believe that uniformity would be better for the whole country. As I mentioned before, a farmer said to me, "You city people are trying to make us get up an hour earlier in the morning". I said that this was not so. Then he argued that the cows had to be milked at a certain time of the day, and I said, "My dear friend, the cows in Manitoba are milked an hour earlier than the cows in Saskatchewan; the cows in Ontario are milked an hour earlier than those in Manitoba; the cows in Quebec are milked an hour earlier than those in Ontario, and the cows in the Maritimes are milked an hour earlier than the cows in Quebec".

Hon. Mr. Dupuis: And they are milked twelve hours later in China.

Hon. Mr. Haig: Sure. But the cows are not raising any objection, and they are still giving milk.

My honourable friend from Waterloo (Hon. Mr. Euler) has introduced a real good idea, and I feel that the people of Canada will agree that the practice of daylight saving should be made uniform on a national scale. I am perfectly willing to have this motion adopted. It will not change our laws, of

course, but it will at least give parliament something to think about. Without infringing upon the rules—

Some Hon. Senators: Oh, oh.

Hon. Mr. Haig: —I think the members of the other place could have used five hours of their time yesterday to better purpose had they discussed the question of daylight saving rather than the matters they were talking about.

Some Hon. Senators: Hear, hear.

Hon. Mr. Haig: I propose to vote for this measure because it will at least have an educational effect. If the farmers can show the city people that they are wrong it will be all well and good; if the city people can show the farmers that they are wrong, that, too, will be all well and good. The only way we can learn who is right is to try it out all over Canada from May 1 to November 1.

Hon. Mr. Horner: Will the city people try out standard time?

Hon. Mr. Haig: No, it will have to be daylight saving. My honourable friend from Blaine Lake (Hon. Mr. Horner) reminds me of the story Bryan told. He was asked whether he was a farmer. He replied that he lived on a farm—like my honourable friend from Ottawa (Hon. Mr. Lambert)—but he said he was an agriculturist. I am afraid that my good friend from Blaine Lake (Hon. Mr. Horner) is an agriculturist—one who makes his money in the city and spends it in the country.

Some Hon. Senators: Oh, oh.

Hon. Mr. Haig: We have not had any legislation on daylight saving since 1918, so I say that we should try it out for the next year or two, and if it does not prove satisfactory, surely we shall have enough sense to abandon it.

Hon. Thomas Reid: Honourable senators, the discussion so far has shown the importance of the motion now before this honourable chamber. I think the honourable senator from Waterloo (Hon. Mr. Euler) should be complimented for introducing this subject, because this is a very controversial question in the minds of our people today.

It was not my intention to speak, but I thought the leader of the opposition (Hon. Mr. Haig) made a rather severe attack, shall I say, on the farmers, and I felt that I could not allow his remarks to pass without comment. He has overlooked the fact that man himself has caused the confusion by interfering with the laws of nature. For the most part, city people are governed by the clock, whilst the farmer may rise when he likes and work as long as he likes, provided that nature is taken into consideration. The farmer cannot get out in the field before the grass is dry; he may arrange his hours as he sees fit, but he must not ignore nature.

If we want uniformity, why not carry on with the present system and let those who want to start their day earlier do so. There is nothing under the name of Heaven or on our statute books to prevent them from doing this. As a matter of fact, certain business concerns today do start earlier in the morning and quit earlier at night.

The honourable senator who introduced this motion drew attention to the differences of times in the matter of railway travel. May I say that the confusion is much worse when travelling by plane, say, from British Columbia to Ottawa. You leave on standard time and you are only on the plane an hour when you change your watch. You are continually wondering whether you are on standard time, daylight saving, Mountain time, and so on. If we must make a change, why not make the present time system uniform throughout? We are more or less living by the clock, so we might as well look at the subject from the Atlantic to the Pacific.

I would point out to the honourable leader of the opposition (Hon. Mr. Haig) that the farmers have a legitimate kick. They are not concerned about the hours that the city man works, because he is working so few hours today. But generally speaking, the farmer has done a day's work before the man in the city rises.

Hon. Mr. Horner: Hear, hear.

Hon. Mr. Reid: This fact cannot be disputed.

I am not going into the question of jurisdiction, but I should like to ask the honourable member from Waterloo (Hon. Mr. Euler) if the law passed in 1918 is still in existence? If it is not, why was it withdrawn? I ask this purely for the purpose of seeking information.

Hon. Mr. Haig: The effect of the legislation was limited to one year.

Hon. Mr. Reid: I remember listening in the other place to cabinet ministers arguing that daylight saving conserved electricity. But I for one cannot understand why daylight saving time should still be in force on the 22nd of November, for it is not possible to save any daylight or electricity at this season of the year by keeping the clock an hour in advance of standard time. If one gets up at seven o'clock in the morning it is dark. It is also dark at five o'clock in the afternoon,

when most factory and office workers finish their day. The present system causes a great deal of confusion, and I wish to compliment the senator who brought this important matter before the house.

The motion was agreed to, on division.

DIVORCE BILLS

THIRD READINGS

Hon. Mr. Aseltine, Chairman of the Standing Committee on Divorce, moved the third reading of the following bills:

Bill Q-6, an Act for the relief of Guy Merrill Desaulniers.

Bill R-6, an Act for the relief of Margaret May Lester Rajotte.

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 S-6, an Act for the relief of Odette Therese Gabard Coupal.

Bill T-6, an Act for the relief of Ella Maxine Shover Logan.

The bills were read the first time.

SECOND READINGS

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

Hon. Mr. Aseltine: With leave of the Senate, I move the second readings now.

The motion was agreed to, and the bills were read the second time, on division.

BANKING AND COMMERCE COMMITTEE

On the Motion to Adjourn:

Hon. Mr. Copp: I wish to remind honourable senators that the Banking and Commerce Committee is to resume its sitting immediately after the Senate rises. Members of the committee have already been notified.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, November 23, 1949

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

Prayers and routine proceedings.

ANIMAL CONTAGIOUS DISEASES BILL

REPORT OF COMMITTEE

Hon. John E. Sinclair presented the report of the Standing Committee on Natural Resources on Bill 147, an Act to amend the Animal Contagious Diseases Act.

He said: Honourable senators, the committee have, in obedience to the order of reference of November 16, 1949, 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. Robertson: With leave of the Senate, now.

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

DAYLIGHT SAVING

PRIVILEGE

On the Orders of the Day:

Hon. R. B. Horner: Honourable senators, before the orders of the day are called I rise on a matter of privilege. In the course of some remarks that he made yesterday the leader on this side of the house (Hon. Mr. Haig) said:

> I am afraid my honourable friend from Blaine Lake (Hon. Mr. Horner) is an agriculturist—one who makes his money in the city and spends it in the country.

Some Hon. Senators: Oh, oh.

Hon. Mr. Horner: Now, honourable senators, I regret very much having to refer to this, but I am in duty bound to defend myself from any accusation of that kind, particularly when I have not made a five-cent piece in the city. On the other hand, through tolls that I have paid on shipments of cattle, I have made a large contribution towards the building of my honourable friend's city of Winnipeg. If we were living in earlier times, say a hundred years ago, I would challenge him to a duel at dawn.

Hon. Mr. McKeen: Daylight saving time?

Hon. Mr. Horner: Yes, daylight saving time. But as it is, I challenge him, for all the money he is worth against all the money I am worth, to find a man who can keep pace with me in doing farm work, whether milking or anything else that men ordinarily do on a farm. I am still a working farmer.

Last summer I happened to meet two commercial travellers at a time when I was in overalls and covered with grease. One of them I knew very well, but the other was a stranger in the district. The man of my acquaintance introduced the other one to me, saying "I want you to meet my friend Senator Horner." The stranger grinned and said, "You are a pretty good kidder, but that is no senator."

Some Hon. Senators: Oh, oh!

Hon. Mr. Horner: The remark made by the leader on this side is entirely untrue; there is no colour of truth in it. I should like to see it erased from *Hansard*.

Some Hon. Senators: Hear, hear.

SENATE PROCEDURE

CONSIDERATION OF BILLS IN COMMITTEE

On the Orders of the Day:

Hon. Thomas Reid: Honourable senators, may I ask a question of the leader of the government, with regard to bills that are still to come before us for consideration? Would it be possible to have some of these bills considered before the Committee of the Whole rather than by standing committees? I know that every senator is free to attend meetings of any standing committee, whether he is a member of it or not, but personally I have always felt reluctant to attend the meeting of a committee of which I was not a member.

Hon. Wishart McL. Robertson: Honourable senators, my honourable friend from New Westminster (Hon. Mr. Reid) mentioned this matter to me on at least one occasion and intimated that he might ask me a question about it in the Senate. I am glad that he has done so, for while most members know what our general practice is, some of the junior members may not be familiar with it.

There has always been some difference of opinion in this house as to whether or not more legislation should be considered by the Committee of the Whole rather than the standing committees. I think the argument in favour of the Committee of the Whole method is that it provides tangible evidence of the large amount of work that is now done in standing committees. The second reason is that although the rules permit any senator to attend the meetings of a committee, and to participate in its discussions, there is a certain reluctance on the part of those who are not members of the committee to attend its meetings. In Committee of the Whole, of course, everyone would feel equally entitled to participate.

The practical objection to consideration of legislation in Committee of the Whole arises from the difficulty of getting clear answers to questions. In order that clear and detailed answers may be obtained in Committee of the Whole, it is necessary that some official sit in front of the member explaining the measure and supply him with the required information. That practice is followed in the other place, but there is no provision for it under our present rules. Under certain circumstances I avail myself of the talent around me and ask some honourable senator to explain the principle of a bill on second reading. If the senator is prepared to handle the explanation without the assistance of officials, the procedure is proper under our rules. It is also workable in cases of legislation originating in the Senate. Under an amendment to our rules, passed a year or two ago, a minister representing his department may come to this house and participate in a debate. That right applies to the minister only, and nobody representing him, may appear in the house. For example, the present Solicitor General when he was parliamentary assistant, could not have appeared in this chamber, but now that he has become a minister he may appear. The question arises whether it would be feasible to require an honourable senator who explains legislation to be so familiar with it as to be able to answer any and all questions. For my part, I would be reluctant to change our present system.

As to legislation which does not originate in this house, under no circumstances could a minister or his assistant come into Committee of the Whole and participate in the debate. But following certain suggestions made to me, I gave serious consideration to the question of whether or not the National Defence Bill, which did originate in this house, and which is now before a standing committee, should have been submitted to Committee of the Whole. I spoke to the Minister of National Defence on this point, and he asked me if that procedure would require him to attend the meetings. In fairness I had to admit to him that it would. Whether one method would serve the interests of the Senate as a whole better than the other is a matter for personal judgment. I have an open mind on the subject. But the system whereby bills are referred to a standing committee—where, incidentally, both committee members and others are allowed to ask questions direct—has been most satisfactory; and no doubt that was one of the reasons why, about three years ago, the number of members on each of our committees was materially increased. For instance, the Committee on Banking and Commerce, which four years ago had no more than twenty or twenty-five members, was enlarged to fifty, or about half the total membership of this house, thereby enabling more senators to participate as members in the work of the committee. Of course, those who are not members are free to attend. I do not think I can usefully add anything more.

Hon. Mr. Roebuck: May I ask a supplementary question? Is it possible under our rules, for any reason of policy, to submit a bill first to a standing committee and then to the Committee of the Whole?

Hon. Mr. Robertson: Yes, we can do that.

Hon. Mr. Roebuck: Would not that course have both the advantages which the leader has described?

Hon. Mr. Reid: My supplementary question is, whether the evidence presented before the various committees is taken down by shorthand reporters. If not, does the leader not think it would be advisable that the rest of us should know what is being done in those committees?

Hon. Mr. Robertson: Ordinarily there is no verbatim record of the evidence, though on particular occasions a stenographic report may be requested, and ordered. Again I must point out to honourable senators who are not members of this or that committee, that, although they may feel reluctant to attend, their presence would be welcomed: there is no reason in the world why they should not come.

While I am not taking sides on this matter, I might observe to my honourable friend from Toronto-Trinity (Hon. Mr. Roebuck) that a bill, even if it is considered in a standing committee and then referred to Committee of the Whole, must be piloted by somebody who is in a position to give informative answers to those who were not at the meeting of the standing committee. It is all very well to have the right to ask questions, but one cannot expect that many will be asked unless reasonably satisfactory answers are to be obtained in reply. At various times, when honourable senators have asked me questions about legislation, I have taken refuge in the fact that I am not expected to know the answers to all things, and that the information will be forthcoming when the bills are sent to committee. It will still be necessary to have someone who is in a position to answer questions, and answer them at once, not next day or at some later time.

Hon. Mr. Haig: This subject has come up quite often. Formerly I was a member of a provincial legislature, and it was our practice to go into Committee of the Whole on all legislation. However, I admit that much of

the legislation which was so dealt with had to do with subjects with which all of us were more or less familiar.

The honourable senator from New Westminster (Hon. Mr. Reid) has come here from the other place, where he had much the same experience, and where, in the case of important bills, I believe it is the practice to bring in a resolution and have it considered in Committee of the Whole. A lengthy discussion takes place on the resolution, then the bill is given first and second readings and, if it is felt necessary, is sent to committee. Let us take, for example, the new Income Tax Bill, which I think will require considerable explanation. It is certainly a measure about which every member and senator should be fully informed when he goes back to his constituents, because there is nothing that makes the public so critical of a member or senator as inability on his part to answer a question about a bill which has been before parliament. Unless a bill is discussed in the house itself or in Committee of the Whole, all honourable senators may not know exactly what it provides. It often happens that when a bill is being discussed in committee some honourable senators are unable to be present because they are attending the meeting of another committee. Before any honourable senator explains a bill on second reading, I think he should consult the officers of the appropriate department, including the Minister, to learn all about the measure. He should know the provisions of the legislation as thoroughly as he would if he wanted to explain it to a client or to a customer. Following his explanation on second reading, the bill could be sent to a standing or special committee, and our rules could be amended to provide that when the bill is reported to the house it shall be referred to the Committee of the Whole. This would mean we would have the advantage of the explanation given on second reading, and the knowledge gained by the members of the standing committees. That is the real way to do it. But there is another way which I strongly favour. I agree with the leader opposite that no man except a Minister has the privilege of coming to this house to explain a bill.

Hon. Mr. Euler: You should say "no person".

Hon. Mr. Haig: I said no person.

Hon. Mr. Euler: You said "no man".

Hon. Mr. Haig: Well, many books include women when they refer to "mankind". In any event, the important thing is that we should all be fully informed about the bills we pass. I have heard senators say: "I didn't know that such and such was in the bill. I wasn't on the committee, and I didn't hear it discussed in the house. If I had known what was in the bill I would have objected to it". This is understandable. If I were a stranger sitting in the gallery listening to the debates of this chamber, I would certainly think that the members of the Senate never did anything. The truth is that they do magnificent work in committee. I have never been in a committee of any kind that was more efficient than our standing committees, where honourable senators discuss various subject matters without a vestige of partisanship. But this good work does not come to the attention of the public. If we see one stranger in one of our committee rooms we rush over to find out who he is and what he wants.

My honourable friend from New Westminster (Hon. Mr. Reid) informed me that he was going to introduce this question, so I have had time to think about it. I discussed this matter with him and another honourable senator, and we all agreed that a measure of such general interest as the Income Tax Bill should be discussed in Committee of the Whole. If our rules do not provide for it, I am sure the house would consent to an experiment along this line, and we could amend our rules next session. I feel that this would be in the interest of all concerned, and in this way the public would have a better understanding of the work done by the Senate.

Hon. A. K. Hugessen: Honourable senators, I must say that I have a great deal of sympathy with the position taken by the honourable senator from New Westminster (Hon. Mr. Reid). I recall that when I was first appointed to the Senate I was not a member of any of the important committees. When a committee presented a report on an extremely important matter, it would be accepted without discussion and the bill would be read the third time. This meant that those in my position would have little knowledge about the provisions of the bill.

It seems to me that the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) made a suggestion which should be seriously considered. In the handling of important bills, would it not be wise to consider them in Committee of the Whole after they have been returned to us from one of our standing committees? Take, for example, legislation such as the Income Tax Bill, which, as suggested by the honourable leader of the opposition (Hon. Mr. Haig), is likely to be before us in a few days. I rather think it is essential that this legislation should first of all be dealt with in a standing committee, where the officials of the Income Tax Department could explain exactly what was meant by the various provisions; then after

the report of that committee was presented to the house, the bill could be dealt with section by section in a Committee of the Whole. This would mean that all honourable senators, as well as the members of the standing committee, would have an opportunity to discuss the bill section by section, and the members of the standing committee would probably know most of the answers to the questions asked by other members. I suggest that this procedure would combine the advantageous features of both the standing committee and the Committee of the Whole.

Hon. Arthur Marcotte: Honourable senators, rule 72, page 27 of the Rules of the Senate of Canada, already empowers us to sit as a Committee of the Whole. I recall an occasion when a motion was put that the house go into Committee of the Whole to amend the Criminal Code. At that time Senator Dandurand was leader of the government, and on the second day of sitting as a Committee of the Whole he had in front of his desk two officers of the Department of Justice. Well, the result was that I had an argument with him that lasted for two days. On another occasion when the honourable senator from De Salaberry (Hon. Mr. Gouin) was chairman of the committee which was discussing superannuation we had two members of the Civil Service Commission with us. In any event, there is already a provision in our rule book for sitting as a Committee of the Whole.

There is no question that honourable senators do a splendid job in their committees, but as the leader of the opposition (Hon. Mr. Haig) has pointed out, the public knows nothing about it. When we do something really worth while, as the honourable senator from Waterloo (Hon. Mr. Euler) knows, little is heard about it.

It takes hard work and perseverance to bring results; but I think you will find that if we sit as a Committee of the Whole we shall, as the honourable leader (Hon. Mr. Robertson) has said, lose the opportunity of hearing the various departmental officials. In Committee of the Whole, they have to communicate their answers to the leader here who then reports them to the house. That is an awkward system. On the other hand, when a bill is before a standing committee we can have the minister, the deputy minister or any other departmental representative present to give us whatever information we require. My suggestion would be that we make use of the rules that we already have.

Hon. Mr. Roebuck: May I ask a question? My honourable friend has referred to an occasion when the honourable gentleman from De Salaberry (Hon. Mr. Gouin) was present—

Hon. Mr. Marcotte: You were there too.

Hon. Mr. Roebuck: Yes. On that occasion I moved that the bill be considered in Committee of the Whole. At least, that is my memory of how we got into Committee of the Whole in that instance. My question is this: after a bill has been reported from a standing committee and before the motion is made for third reading, is not any member entitled to move that the bill be referred to the Committee of the Whole?

Hon. Mr. Robertson: Yes.

Hon. Mr. Roebuck: Then, is that not the answer to the whole problem? If the honourable member from New Westminster (Hon. Mr. Reid) or any other senator wishes to have a bill considered in Committee of the Whole, he may so move at the appropriate time.

Hon. Mr. Marcotte: The rules governing procedure in Committee of the Whole are Nos. 72 to 76, both inclusive.

Hon. Vincent Dupuis: Honourable senators, My good friend from New Westminster (Hon. Mr. Reid) was my schoolmate in another place. I think I may put it that way, for after all, public life in this parliament is a grand school where we learn a lot about human nature, human needs and human remedies. If my honourable friend's suggestion is intended to make us better acquainted with the bills that we consider here, I am entirely in favour of it; but I would be opposed to it if the purpose were to get us more publicity. We, the elder statesmen of the nation, should not emulate the glamour girl.

After all, honourable senators, the role of this house may be compared to that of a Court of Appeal. At a trial before the court of first instance—which in our province is known as the Superior Court and, in other provinces, as the Supreme Court—there is a show. Witnesses are heard, lawyers clash with one another over points of evidence and law; and the trial, if it is one in which the public are deeply interested, is given a good deal of prominence in the press. If the losing party is not satisfied with the court's verdict or judgment, there is an appeal to a higher court. A formal case is then prepared, containing the pleadings and the depositions of witnesses, and a copy of these documents is furnished to each of the judges on the Appellate Court. When that court sits there is no show, and perhaps the newspapers do not even bother to tell their readers when the court is hearing a case that attracted much attention in the court of first instance. The greater part of the Appellate Court's work is done in a private chamber,

where the judges discuss the testimony and the relevant law among themselves. Then, perhaps a month or two months later, at the next sitting of the Appeal Court, judgment is delivered. That ends the case, unless an appeal is made to a still higher court.

The Senate, with respect to legislation, is a Court of Appeal, and the members of the Senate judge measures which have been passed by another place. We should be satisfied—and, personally, I am satisfied—with the role of protectors of the country's interest. When I judge a piece of legislation I try to do so objectively and without regard to party allegiance. I try to think of the measure from the point of view, not of a Liberal, but of a man concerned to see whether what is proposed is for the good of the country.

I submit that we should not ask to have a bill considered in the Committee of the Whole unless we feel that this procedure would enable us to obtain some information that was not brought out in the standing committee to which the bill was referred. It was because that procedure was not followed that I asked the other day for the postponement of a third reading; I was not a member of the standing committee which had considered the bill in question, and I did not know the first thing about the bill. My distinguished leader (Hon. Mr. Robertson) may remind me that I, like every other senator, am entitled to attend the meetings of any standing committee and ask questions, whether I am a member of the committee or not. But, as he knows, when a certain committee is sitting we may be in attendance at another, or we may have duties that for the time being require our presence elsewhere. Furthermore, a senator does not like to appear at a committee of which he is not a member and be looked upon as a stranger. But when a bill is referred to the Committee of the Whole House, it is considered clause by clause in the presence of us all, and I think that procedure is in the public interest.

Hon. Mr. Roebuck: Mr. Speaker, there is nothing before the house.

DISTRIBUTION OF DOCUMENTS

COMMONS VOTES AND PROCEEDINGS

Hon. R. W. Gladstone: Honourable senators, now that we have finished discussing one matter, it may be opportune to refer to another which is of somewhat the same nature. At the end of the Commons *Hansard*, which we receive daily, there is usually a statement outlining the business to come up on the following day. But we have no details as to the future business in that house, for the *Votes and Proceedings*, in which this information is set out along with the Orders of the Day, are not distributed to us. Those of us who formerly were members of the Commons greatly miss this information.

I think it would be most helpful to honourable senators to have a copy of the *Votes and Proceedings* made available to them. As such a service would require the printing of only about 100 extra copies, the expense would be almost infinitesimal. I would ask the honourable leader of the government if it is possible to have these copies supplied to us.

DIVORCE BILLS

THIRD READINGS

Hon. W. M. Aseltine (Chairman of the Standing Committee on Divorce), moved the third reading of the following bills:

Bill S-6, an Act for the relief of Odette Therese Gabard Coupal.

Bill T-6, an Act for the relief of Ella Maxine Shover Logan.

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

HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS

MOTION

The Senate resumed from Thursday, November 17, the adjourned debate on the motion of Honourable Mr. Roebuck, that the government be requested to submit to the forthcoming Dominion-Provincial Conference on the Constitution a draft amendment to the British North America Act.

Hon. J. J. Hayes Doone: Mr. Speaker, in rising for the first time to address this assembly, may I offer to you, Sir, my warmest and most respectful felicitations. To the brilliance of those who have preceded me in debates which have occupied the attention of this house, I bow in humble deference.

I have noticed that on occasion members have referred with pride to the constituencies which they have the honour to represent. This displays a commendable spirit, and I respect them for it. I concede to them all of the glories which attach to their several distinctions. But I too have a special privilege, and I affirm it with due humility—the privilege of representing the county of Charlotte in the historic province of New Brunswick.

I was born in its coastal area. The spray of the Bay of Fundy watered our dooryard. As a child I played around fishermen's craft and watched the seagull in his seaward flight.

In that spot, humble but with a wealth of beauty, I learned to breathe the air of freedom.

This was but a natural consequence, inasmuch as liberty had a traditional value in the county of Charlotte. It was here, I believe, that the first public pronouncement respecting the widest measure of freedom was first written into the annals of this country. There came indeed to our shores in 1783, as part of the Loyalist migration, a certain body known as "The Society of Friends". They established a townsite which they called Belle Veu, now known as the village of Beaver Harbour. To the south and west of this location they laid out their garden plots or 10-acre lots, and to the north and east their more ample farm lands. The latter area was called Pennfield, in honour of the leader whom they so assiduously followed. Pennfield later came under world observation owing to the fact that it was the natural landing field upon which Mollison settled in his west Atlantic flight. Also, it was the site of one of Canada's greatest airports.

Having established their township, the Society of Friends drew up a set of rules and regulations for the personal conduct of their members and for the conduct of their public affairs. It is interesting to note that the fourth item in their book of rules laid down the mandate that no one could hold lands, be a member of their society or enjoy any of its privileges, who kept a slave under any pretext whatever. This, I believe, was the first pronouncement of its kind on the North American continent.

In 1793, under Lord Simcoe in Upper Canada, which later became the province of Ontario, a similar measure of freedom was given legislative authority. In 1801 Lower Canada, now the province of Quebec passed almost identical legislation. In 1833 owing to the persuasion of Wilberforce and other lovers of freedom, action along this line was taken by the government of Great Britain. After a period of internecine war and the spilling of fratricidal blood, the American Union adopted this principle in 1865.

To recapitulate and to make my point the more evident; ten years before a wider freedom was proclaimed in what is now the province of Ontario, eighteen years before similar action was taken in what today constitutes the province of Quebec, fifty years before England became Christian in practice, and a full eighty years before the American Union subscribed to that principle dear to every American heart—"Liberty and union now and forever, one and inseparable" —there was born in the little county of Charlotte the spirit of emancipation. There indeed we find the setting of that beautiful American poem:

> The moon saw, and the sea,
> And the bounding aisles of the dim woods rang
> to the anthems of the free.

Can one wonder, that I am interested in any matter which pertains to liberty, and that I have a special interest in human rights and fundamental freedoms.

A declaration now on human rights and fundamental freedoms would come, I believe, at a most appropriate period in our history. That great but unorthodox writer, Victor Hugo, has stated somewhere that the twentieth century was to be the century of man. He advised—and I quote him loosely—that in this century we would see the cessation of wars and the end of feuds and passions, that territorial boundaries would be eliminated, that much of the old order would perish and even dogmas would die, but that man would live. To him would be given a greater territory, confined alone by world limits, and a greater hope, limited only by Heaven. Whether this writer was displaying a special prescience or was over-optimistic in his estimate, his stirring message nevertheless presents a challenge to us. In efforts to meet this challenge, certain senators have raised initial objections. They suggest that those who "step the halberd o'er" are guilty of idealism, of being premature in their suggestions, and of ruthlessly trampling provincial rights and privileges.

Let us first examine these objections. It has been stated by one honourable senator that the sentiments expressed in the resolution under discussion were too idealistic. I cannot concede that sentiments of a lofty character can ever be charged with this disability. On the contrary, every day in this chamber I listen to the prayer which is read for the benefit of members. Couched in the choicest language, almost poetical in character, sublime in its beauty of thought and expression, it requests that Providence

> . . . may direct and prosper all our consultations for the advancement of His glory, the safety, honour and welfare of our Sovereign and this country, that all things may be ordered and settled by our endeavours upon the best and surest foundations, that peace and happiness, truth and justice, religion and piety may be established among us for all generations.

I do not know whether members listen to this prayer with attention or not, and I am uncertain whether they feel the need of it for their direction, but I have never considered it, by reason of its sublimity of thought, to be too idealistic.

I have been informed that in the early days of the world's history a prophet came

down from Mount Sinai with certain tablets upon which were inscribed mandatory instructions for the guidance of men; I have also been informed that throughout the years many men on many occasions have fallen short of a complete compliance with these injunctions; but I have never heard it suggested that because they were written and contained noble sentiments they were too idealistic.

I trust that the objection raised on this particular point will prove no barrier to members in their hopes of eternal rest. I make this suggestion in all sincerity, as the place we all wish to attain, and which I hope all members shall attain, has been described as a place of supreme idealism.

At this point I might offer a consoling thought to our Scottish friend, the junior senator from British Columbia (Hon. Mr. Reid). If he still entertains any fears of civil or criminal action arising out of the skirl of the pipes, may I out of the generosity of my Irish heart offer him the harp.

Some Hon. Senators: Oh, oh.

Hon. Mr. Reid: The answer is, no.

Hon. Mr. Doone: It has been reputed, honourable senators, to shed the soul of music. As such it could be for him a constant and agreeable companion, and I believe that when his final hour comes he might take it with him, inasmuch as it is the consensus of opinion among all nations that this is the instrument to which the angels sing. May I add for the information of honourable senators that the harp, which is as Irish as the glens of Antrim or the hills of Armagh, was undoubtedly selected as a heavenly instrument in tribute to the drafting ground of so many divine musicians.

The honourable senator advises that the sentiments expressed were too idealistic. May I inquire, was it idealism on the part of Cobbett continually to remind the English people that workhouses, treadmills, and poor rates were not indispensable appendages to society, and that a country to have the elements and attributes of greatness should not permit its old people to be dependent on parochial relief, its citizens to be without food to maintain health, and its orphan children to live in brutal wretchedness? Was it idealism when we advanced the thought that the world could no longer view the problems of the underprivileged with complacency? Were we in this country too idealistic when we laid down the proposition that even the sordid incidents of life must be viewed in their true light and with an unhampered vision of sympathetic and intelligent understanding? Is it idealism to believe that those affected by age, by widowhood, by the suffering of disease are even as you and I, that the gates of their souls lie free, and that as heirs of the great resources of this country they are entitled to common rights and privileges?

As a counter-irritant to an argument of this character, may I suggest that we should examine most closely into the possible effects of a too rigid adherence to the principles of materialism. The later may present problems which run deeper than their visible and most apparent incidence. I noticed indeed two years ago, and I presume conditions have not changed to any great degree since then, a press report of a Gallup poll, conducted in Great Britain and Canada, as to what constituted happiness. The result of the poll was both enlightening and astounding. It is submitted as follows:

	Great Britain per cent	Canada per cent
Family life	33	19
Sufficient money	13	38
Religion	2	1

May I say that if this expression of opinion is truly representative and the figures obtained indicate our concept of Canadian life, idealism is long overdue, and no member of this assembly could fail in righteousness in supporting idealistic principles.

Honourable senators, it has been suggested that the motion is premature. What does such a criticism entail? Certainly a criticism of this character must be voiced without recognition of conditions applying to the broad field of human relations.

Let us examine the facts. It is true that in our troubled times we must anticipate certain discomforts. We have been informed that, "In the travail of the ages the birth of each new era rings earth's systems to and fro". This we know. We must also expect that there will be certain dislocations in a transition period as the aftermath of war. However, conditions today are far from normal expectations. It is not, as in the past, a resting period before people move safely along orderly paths in the pursuit of peace and happiness. Unfortunately these goals seem remote and unattainable.

We are counselled to regard action upon our part as premature, whereas in other areas moulders of thought and action appear charged with the solemn duty of keeping prejudice and mistrust alive rather than seeing how differences may be ended. Indeed, day by day as the story of world passion unfolds itself, thoughts of peace, fanned into life by enthusiasm and wishful thinking, fade and die in discouragement. The reaction is not local or parochial, nor confined to a

devastated Europe. From every corner of the world people subjected to oppression are calling for guidance.

The honourable senator from New Westminster (Hon. Mr. Reid) says we are premature. He says in effect that in a day of landing fields we should be tied to the hitching posts of the past. Let us again examine the moving tide of time. If we do so we will realize that we are in one of the most critical periods of the world's history; that we are faced with one of the greatest disorganizations of all time, the confusion of ideas and wants as opposed to the confusion of tongues. We are in a war of ideas for the destruction of faith and those tenets which in the past have held individuals and even nations to the paths of rectitude. It is a war that promises to be relentless, inasmuch as two dogmatic forces can admit of no compromise or appeasement. It is a war to the end, without quarter and without cessation, until one or other, the Christian or the Anti-Christian, has been declared the victor. In this war any participation on our part cannot be premature. In this war—and this is total war, if ever wars were total—there must be a full enlistment of our moral forces and a mass production of our faith. We must assemble the thinking of right to oppose and neutralize the promotion of wrong. We must, if we are to survive in our way of life, make men concious that under the banner of Christian democracy lie their greatest need and their greatest security.

The honourable senator says we are premature, that we are idealistic. In this crisis, honourable senators, we must have in our everyday life more thought and more fellowship—more Philip Sidneys to recognize the greater necessity, more Sydney Cartons to do the better thing. I realize that this condition is not easy of attainment. There is no popular or easy way to security. There is no sedative to still the ache of dissension. In this particular crisis even the tincture of time fails in healing or curative properties.

Let us, honourable senators never entertain the thought that the time is not ripe. That, sirs, was the delaying cry when many of the wants which for years had been longings of the human heart were diagnosed as social ills, and appropriate treatment was accorded. Moreover, while present adjustments have tended to the easement of social perplexities, never let us believe that the horizon is clear, that we can with security lower the periscope of beneficial thinking and action. There are large tasks in this world left for attention—the crucial tasks of doing what society can do to make life, in all its levels, happier, easier and more satisfying. Let us rather be confirmed in the belief that in our business and social life we must have the intervention of all those fine things in being—idealism, justice, liberty, patriotism and moral nobility. These things are never premature.

In no crisis can moral and ethical thinking be regarded as iron rations to be held to the last ditch and to the last dying hour. The high achievements of fraternal effort, so evident in this world today, are opposed to the theory of immaturity. Time rather is of the essence. Let us give our declaration of faith. It can do no possible harm. It may supply the vitalizing force so necessary to stir democratic peoples of the world to triumphant action. In looking down the long corridors of time, I can see many gaunt spectres of the past, but for the future I can see no corresponding horrors arising from idealism.

As another restraint, it has been objected that the resolution before us is a violation of provincial autonomy. Let us examine this assertion. In all fairness, I can see a possible conflict of thought, provided federal action were taken without first having provincial approval. I can also see the absurdity of separate or local legislation as affecting Canadian citizenship. A certificate of Canadian citizenship with an Ontario, Quebec or Maritime badge would be the pinnacle of folly. But, I cannot see how the submission of a certain set of lofty ideals and noble sentiments to provincial jurisdictions for study, can hold any harmful properties. It has been suggested by way of further reaction that we are throwing the matter into the lap of provincial leaders. That, honourable senators, is not the method pursued in our cultured society. The proposal is to be submitted; not to be thrown around into laps, but formally and politely to be placed before provincial delegates, for examination at their leisure, in their own good time, and under the scrutiny of their expert advisers. In this I can see no violation of provincial autonomy, but, conversely, a respectful observance of provincial rights.

In the face of these circumstances the role of Hamlet is out of character. We cannot remain muffled in our mantles, seeing no good, and observing the whole proposal with fearsome pessimism. Nor can we arrest communism, restore confidence and maintain morals by clinging to the past as if it were the Rock of Ages to which Christians cling for salvation.

On the affirmative side, we all believe in human rights and fundamental freedoms. Let us say so. We have a full knowledge of the great upward struggle of man for recognition of his importance as an individual. Let us respect it. We know that in every age man had his special value. In earlier times he was placed upon the block, measured for his

efficiency, bought and sold. In that evolutionary period he had a value as a slave. We also know that in all ages, but particularly in the great era of industrial and commercial expansion, man had a value as a worker. In every age too, from the day of his first conflict to the last supreme test of nations, he had a value as a fighter.

With the coming of more modern ideas, with society softened no doubt by mutual sorrows, man was given a value as a human being. From this concept we are supplied with the term "human values". We all believe in human values implicitly.

We believe in the dignity of man. We believe that man, irrespective of his origin, his condition and his circumstances, is possessed of a soul fashioned in the likeness of Divinity. We believe that irrespective of men's height or weight or stature, their souls are all of one size. We question the uncertain and variable qualities of good intention. We therefore believe in giving common and legal rights to all members of society. Let us make this declaration of faith.

We feel that every individual should have the right to think and to speak and to act within the law according to his conscience. Let us, therefore, make an open avowal of our belief in this trinity of freedom. We are opposed to enslavement and oppression and inequality. May we not, therefore, give voice to the sentiments contained in that comprehensive prayer for peace, the elevation of right over might, the substitution of justice for injustice and the promotion of charity over selfishness?

We believe that every individual should have a share in the gifts of Providence, in the earth and its profits, in the rays and the heat of the sun, in the rain from heaven. We believe, in fact, that the God of heaven is the God of all, and not alone of the few and the privileged. May we not offer this consoling thought to the people of our country?

We are opposed to the ancient, but not too ancient, policy which denied to men the profession of their faith, that drove clergymen into the swamps and the caves and the forests, that raised them to scaffolds of fame for practising their missions of mercy, that robbed men of their titles and their lands and their right to the franchise for conscience sake, that drove the non-conformist to foreign lands and to this country for freedom to worship. This is fundamental.

We are opposed to the ancient, but not too ancient, policy that denied to men the right to teach and to children the right to learn, that dismantled factories, stifled industry, and deprived labour of gainful employment, that devised laws for the starvation of men, that condemned them to die by the roadside, or to embark in fever-ships, where they perished by thousands. We remember these things, not necessarily with bitterness, but with caution; and remembering them we should, in our legislation, display a breadth of vision and outlook, and offer to our people in ample declaration a high degree of sympathetic understanding.

We are opposed to the ancient, but not too ancient, policy of mass production, with its sweat shops, its low wages and standards of living, its hunger and tattered children, its filth and its slums. We are opposed to the newer system of mass idleness, with its hunger and want in the midst of plenty. May we not give to this belief a definite and legal assurance?

We believe in the manumission of labour—in fair wages for employees, in protection to workmen against the hazards of their trade and calling, in better factory and working conditions and in a high measure of collective bargaining. May we not give confirmation of this belief in a sincere and a wholehearted manner?

We believe in health; our ideas respecting health are democratic. We believe in health in all classes of society. We believe in health, from both an economic and a humanitarian point of view. We believe in youth. It is our belief that upon the youth of this country its future must depend. Believing in youth as the rock and foundation upon which the future must be built, we should make appropriate provisions. Denying nothing to the rich, we should give to the poor comparable advantages. Should we not make a public pronouncement of this principle and give to youth a full assurance?

We are opposed to the ancient, but not too ancient, policy of having the poor and underprivileged dependent upon charity. It is our belief that charity is sometimes cold, but at all times uncertain. Having this belief, we feel that science should ferret out every inequality; that it should trace man's physical and social ills; teach him how to protect himself in his particular niche in society, in his health, his education, and his civic rights; should assist him in maintaining a position of security in his work and in his labours, and grant to him a measure of independence in his ageing hours.

It is our belief that the promoters of prejudice and the forces of disunity, which in the past have played an important part in the structural life of this country, will pass away, but that truth will prevail and will live forever. We believe that where truth shines the flame of justice will never die. Our faith is not placed in material things. "The worm

whose epoch is an hour" teaches us the futility of contrary thinking. Our faith is in Providence, and with our faith so founded we believe in the future of this country and the future of the world.

May we not, without incurring charges of immaturity and idealism, place these ideas before the people of our country as being matters of common and legal right, as part and parcel of their fundamental freedoms?

Honourable senators, may I at this stage put the record straight. May I make it crystal clear that I am not so imbued with idealism as to believe that if there were a full implementation of this resolution—that is, a writing of every single feature of it into the constitution of our country—we would have a fulfilment of Hugo's prophecy, a termination of feuds and passions, and the dismantling of territorial barriers. Nor am I so idealistic as to infer that if every unit forming part of the United Nations were to subscribe to these principles there would be written into world history the epitaph of war.

I am not so fanciful as to presume that, if all nations of the world were to accept at the present time the ideas contained in the proposed bill of rights, we could give an assurance that never again would the field of Flanders prove the battlefield of time nor its winding rivers run red. Watching this world, as all senators have, through the latticework of recurring war, with sacrifice following sacrifice in tragic sequence, I would wish to give this assurance to the youth of this country and to so reassure the mothers of men. But I am not sufficiently sanguine to believe that a profession of faith would have such saving and curative qualities, though I do believe it would help. Certainly there must be some value in an educational policy. Otherwise we have lived our lives in stupid futility. There must be some virtue in propaganda, otherwise for ages we have magnified its vices. If propaganda has no value as a factor in influencing public opinion, either for good or for bad, then for years we have been listening to fairy tales of the subversive qualities of the "isms" of Europe.

However, this is not the point at issue. We are not at the moment concerned with accomplished facts, or whether the proposed bill of rights meets with the unqualified approval of this assembly. All that is suggested by the senator from Toronto-Trinity (Hon. Mr. Roebuck) is that his resolution on Human Rights and Fundamental Freedoms be referred to the delegates at the forthcoming Dominion-Provincial Conference for study. The resolution does not contemplate an immediate reflection of opinion, but is designed to promote on their part a skilled and considered appraisal.

The honourable senator for Toronto-Trinity holds the view that a study of this character might be fruitful and have an educational and inspirational value. I can see no valid reason for killing such an idea with the dead hand of time. Rather, may we not trust that the study of its terms, and its possible acceptance, may offer to us and to our time a new and abiding faith, with our hopes for the future more firmly implanted in a richer field of understanding? May we not also trust, even if in the past we have been touched by the airs of adversity, that from such a study and possible acceptance, given world wide application, we can cherish the hope that the future may hold for us fairer winds and safer havens, and that to some degree at least peace and contentment may settle in distracted areas, and that under the guidance of Him who in the past has always risen superior to darkness and to death, there may be a levelling of the valleys of doubt and negation—their hills laid low and His justice made manifest.

As a parting and I hope an inspiring word, may I, honourable senators, offer to you an extract from Drinkwater's modern poetical prayer, couched in the following terms of eloquence and charm:

> We know the paths wherein our feet should press,
> Across our hearts are written Thy decrees.
> Yet now, O Lord, be merciful to bless
> With more than these.
>
> Grant us the will to fashion as we feel,
> Grant us the strength to labour as we know,
> Grant us the purpose, rimmed and edged with steel,
> To strike the blow.
>
> Knowledge we ask not—knowledge Thou hast lent,
> But, Lord, the will— there lies our bitter need,
> Give us to build above the deep intent
> The deed, the deed.

Some Hon. Senators: Hear, hear.

Hon. Mr. Roebuck: Honourable senators, before moving the adjournment of the debate, may I have the indulgence of the house to make an explanation? Apropos of the explanation, I wish to thank the speaker who has just taken his seat for his eloquent, forceful and inspiring address, and for the lofty sentiments which he has expressed.

I propose to close this debate, as I have the right to do, some time next week. In the meantime I would ask that it be allowed to stand in my name from day to day. Should any other honourable senator wish to speak I shall, of course make way for him. I move the adjournment of the debate.

The motion of Hon. Mr. Roebuck was agreed to, and the debate was adjourned.

DISTRIBUTION OF DOCUMENTS

COMMONS VOTES AND PROCEEDINGS

On the motion to adjourn:

Hon. Mr. Robertson: Honourable senators, before moving the adjournment of the house, I wish to draw the attention of the honourable senator from South Wellington (Hon. Mr. Gladstone) to what I think he may already know, that copies of the *Votes and Proceedings* are filed each day in the loose-leaf volumes in our desks. Whether or not additional copies are available, I do not know. Perhaps honourable senators would prefer to receive this document through the mail rather than at their desks. I would therefore ask honourable senators to give the matter some consideration, and I shall be happy to follow whatever they consider the more desirable practice.

BUSINESS OF THE SENATE

BANKING AND COMMERCE COMMITTEE

Hon. Mr. Robertson: May I remind honourable senators that the Standing Committee on Banking and Commerce will meet when the Senate rises, and that though an invitation is extended to all non-members to attend, there is considerable responsibility on those who are members to be on hand to expedite the work of this committee.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, November 24, 1949

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 U-6, an Act for the relief of Bernard Rivet.

Bill V-6, an Act for the relief of Phyllis Elizabeth Campbell Westover.

Bill W-6, an Act for the relief of Mildred Blanche Tilson Bell.

Bill X-6, an Act for the relief of Ruby Anderson Edwards.

Bill Y-6, an Act for the relief of Vera Marguerite Abraham Allen Richey.

The bills were read the first time.

SECOND READINGS

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

Hon. Mr. 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

The Hon. the Speaker: Honourable senators, when shall these bills be read the third time?

Hon. Mr. Aseltine: These are the last of the divorce bills that are likely to be presented here this session, and I should like to see them sent to the other house as soon as possible. Therefore, with consent of the Senate, I would move that they be read the 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. Wishart McL. Robertson: Honourable senators, as there is nothing remaining on the Order Paper, it is my intention to move that when this house adjourns today it stand adjourned until Tuesday evening next, at 8 o'clock.

Should any bills come from the other house for first reading in the Senate on Tuesday, I hope that honourable senators will agree then to giving them second reading the same evening. Consideration will of course be given to any special circumstances which may arise.

I now move that when this house adjourns today it stand adjourned until Tuesday, November 29, at 8 o'clock in the evening.

The motion was agreed to.

BANKING AND COMMERCE COMMITTEE

Hon. Mr. Robertson: I would remind honourable senators that the Banking and Commerce Committee will meet again today when the Senate rises, and I would ask that as many honourable senators as can do so conveniently to attend.

The Senate adjourned until Tuesday, November 29, at 8 p.m.

THE SENATE

Tuesday, November 29, 1949

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

Prayers and routine proceedings.

COMBINES INVESTIGATION BILL

FIRST READING

A message was received from the House of Commons with Bill 144, an Act to amend the Combines Investigation Act.

The bill was read the first time.

SECOND READING

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

Hon. Wishart McL. Robertson: Honourable senators will recall that before moving the adjournment of the house on Thursday last I indicated that if by this evening certain bills from the other place were before us I would ask leave to proceed to second reading tonight. As regards three of the measures to come before us this evening, I understand that the honourable senators who were kind enough to undertake to explain two of them would like to proceed tomorrow; as to the third, which was initiated in the Senate, I propose to deal with it tomorrow.

The present bill, copies of which honourable senators will find on their desks, is designed to facilitate enforcement of the Combines Investigation Act and of related provisions of the Criminal Code. The amendments proposed would affect some of the procedural and evidentiary rules applicable to prosecutions under this legislation.

The introduction of amending legislation at this time has been made necessary by the uncertainty resulting from the decision of the Ontario Court of Appeal in February, 1949, in the dental supplies case. The problem created by this decision has been studied most carefully by law officers of the Department of Justice, and by legal advisers, and the present bill represents the results of that study. The most important provision in the bill is to be found in section 3, which deals with the principal points of difficulty in the dental supplies case—proof of authority of company officials, and admissibility of company and other records.

Sections 1 and 2 of the bill affect the procedure to be followed in prosecutions under the Combines Investigation Act. Section 1 would give the Attorney General of Canada equal status with an attorney general of a province in initiating and conducting combines prosecutions. This would confirm formally the *de facto* situation already existing. Under the Criminal Code only the attorney general of a province has status to present an indictment. Since for some time it has been the practice for the Attorney General of Canada to take responsibility in major combines prosecutions, this amendment is designed to give him equal status with an attorney general of a province without excluding the latter.

Section 2 recognizes that jury trial of complex business offences of this type is usually inappropriate, and would provide that the corporations charged with such offences shall be tried without a jury. The right of an individual to elect either jury or non-jury trial is not affected. Trials of offences of this type are usually lengthy and involved. Typical recent trials have required the taking of as much as 8,000 pages or more of transcript and the filing of over 1,000 exhibits, and have necessitated over 50 days of trial. The principle of trial by a jury of one's peers has hardly any logical application to the relatively modern development of trial of corporations on indictment, since a corporation by its very nature cannot really be so tried.

It is expected that these amendments, if approved by parliament, will do much to overcome the principal difficulties recently experienced in the enforcement of the Combines Investigation Act. If the competitive system is to produce the full benefits of free enterprise to which the public is entitled, there must be effective means to deal with combinations or monopolies which place undue restraints upon trade. It is necessary to ensure, as far as possible, by the amendments now proposed that they be effectively applied. Enforcement of the legislation when offences have been alleged is a matter for the courts. It is essential, therefore, to provide that evidence may be obtained and put before the courts in a manner which will ensure full consideration.

While this bill refers to only a few phases of the Combines Investigation Act, I cannot help feeling that as time goes on the question of price levels will become of increasing interest to the great majority of Canadian consumers.

There seems to be an ever-increasing body of the public which believes that a whole range of capital and consumer goods produced in this country is sold to Canadian Consumers on a price basis much in excess of corresponding prices in, say, the United States. Whether or not this higher price basis is achieved by methods that can be successfully challenged in the courts as being in the

restraint of trade, is debatable; but the impact on the consumer's standard of living is the same. It is possible, and indeed probable, that, to the extent that it exists, much of it is due to the incidence of protective tariffs; and the freedom from outside competition secured thereby is in no wise diminished as a result of the extraordinary action that had to be adopted—an exchange conservative measure—to control United States' imports. It behooves business and industry to examine their position in this matter with a critical eye, and to put their own house in order to the extent that abuses exist.

In recent years there has been a veritable flood of propaganda extolling the advantages of free enterprise and competition in achieving an ever-higher standard of living for all. Any actions by business that smatter of restraint of trade internally, or vehement protests against the slightest competition from without, at once give colour to the idea that business has gone soft as a result of over ten years of virtual freedom from competition, and that some at least of those who proclaim most loudly the benefits of competition to our way of life, are the first to endeavour to see that it does not exist in their own particular businesses.

It would be most unfortunate if this idea became wide-spread. I can think of no better argument for state ownership than an example such as this. A particular business is a monopoly. It is charging the consumer all the traffic will bear. It has succeeded in putting itself beyond the reach of the law, and has been able to protect itself against outside competition. If it is not to be subject to competition now or hereafter, why not have the state take over?

In all probability, thinking along this line had something to do with action of the Province of Ontario years ago in taking over the generation of hydro electric energy in that province as a state monopoly—

Hon. Mr. Roebuck: That is right.

Hon. Mr. Robertson: —as well as with subsequent developments in this very city of Ottawa, for instance, whereby the ownership and operation of the street railway and the distribution of electric energy have both been taken over by the city.

I have not the slightest doubt that part of the consideration which has prompted Western Europe and the United Kingdom, as well as many other countries, to take over more and more, as state monopolies, various activities which hitherto have been in the hands of private enterprise, has been the belief, right or wrong, that the public were being unfairly treated in the matter of the cost of goods and services.

Only recently, as an indirect result of the prevailing opinion with respect to price levels of the products of secondary industries in Canada, there have been interesting developments. Until comparatively recent times a large number of people in Canada, particularly those engaged in primary industries such as agriculture and fishing, have vigorously opposed existing price levels of the products of secondary industry in Canada, attributing them variously to the effect of combines and protective tariffs. For themselves, they were unable to organize sufficiently to effectively control the price levels of the commodities which they produced, but they have now demanded governmental action which would accomplish the same result.

We have in existence now, and it may well continue in some form or another for some time to come, a program of support of the price levels of primary products to ensure to the producers what they feel is a relatively fair return for the results of their industry. The effect of this particular course is that their activities have now been concentrated on the maintenance of their own price levels, rather than on the reduction of price levels of things they purchase. Under the conditions which have existed during recent years this has apparently achieved a degree of stability which has, until the present at least, resulted in great prosperity for all concerned. I should not care to hazard an opinion as to whether or not the maintaining of price levels for all products, both primary and secondary, will continue to be an important part of our economy in the future; but if it is, it seems inevitable that some careful consideration will have to be given by someone as to the relative price level in Canada as compared with that in other countries where similar conditions exist. That will be particularly important for a country like Canada, which depends to such a large extent on export trade, for whatever other benefits accrue, if the over-all price level is too high we might find ourselves priced out of the markets on which we have to compete.

Whatever policy may be adopted in the future, an informed public opinion is one of the prime requirements. I have always felt —and I can express only a personal opinion— that some consideration might be given to having the Bureau of Statistics, which supplies us with a veritable fund of information on all conceivable matters, address itself to the problem of supplying the public generally with authoritative information about the prices paid by consumers in Canada for a wide range of ordinary purchases. This would enable the consumers to see at a glance what they are called on to pay, in their respective parts of Canada for various articles, as com-

pared with prices in other parts of the country, and in other countries as well, if it were possible to get the necessary information.

I am ready to concede that the vast majority of those engaged in business enterprises in Canada not only believe in free competition but are quite willing to practise it. A great responsibility rests on them to make sure that an unscrupulous minority is not enabled to put into effect practices which may ultimately not only bring about the downfall of that minority, but play a part in pulling down the whole structure of private enterprise.

Some Hon. Senators: Hear, hear.

Hon. John T. Haig: Honourable senators, before I proceed to discuss the subject-matter of the bill I may say that I expected my honourable friend the leader of the government to give some reason why the recent report made by Mr. McGregor was not tabled in the house, as is required by law. Apparently he thought the matter had been sufficiently discussed in the other place. All I wish to say in this respect is that any law passed by parliament which is not obeyed by the government is not of much use.

The people of Canada no doubt got a dreadful shock when they learned, a month or so ago, that the report of an investigation under this Act had not been tabled in accordance with the requirements of the law. Knowing, as I do, the minister in charge of the department concerned, and having sat with him in a provincial legislature for many years, I was particularly shocked. The government alone is to blame for the incident. It is a bad start. The laudable purpose which my honourable friend mentioned for amending the Act at this time is all to the good, but it does not mean anything unless the government will carry out the law. I do not intend to discuss the matter further, because it has been fully debated in another place and the public are well seized of the facts.

As to the bill itself, I can see no objections. I think a good many lawyers would agree with me that the dental case was, to say the least, badly handled. The passage of this measure may make it easier for the government to get a conviction where there are grounds for it. But I am bound to say that if I were a solicitor for people suspected of being involved in a combine, I do not think we would have anything in writing. I can see no reason for it. My experience with business people has taught me that there is no more dishonesty in big business than there is in any other kind of business. One finds people in every walk of life with a complex for dishonesty. We of the legal profession think we are the salt of the earth—that honesty begins and ends with us—but I have never met anybody who—

Hon. Mr. Euler: Would agree with you?

Hon. Mr. Haig: —who would not say, "That fellow is a lawyer, so keep your eye on him". People say that about lawyers generally, but they usually wind up with the remark, "Of course the gentleman that acts for me is absolutely straight and can be depended on". This bill is really one for the lawyers, and the provisions appear to be in order.

I was very pleased to hear the honourable leader, in the latter part of his address, mention the subject of electricity. Why did the province of Quebec take over the supplying of electricity in Montreal and other places? The answer is that the government of Canada taxes private corporations in that type of business, but does not tax government-owned corporations. Why do the provinces choose to go into the liquor business? There, again, government bodies are not taxed, as are private businesses. It is all an attempt to dodge taxation. With our present system of taxation governments will soon have practically confiscated everything above the ordinary wage earnings of the individual.

The federal government recently suggested a system for the muncipal taxation of government-owned properties in different places, but they so arranged it that practically no taxes will be paid. Only where the assessment on government-owned property exceeds 4 per cent of the total assessment does the municipality receive any contribution from the government. Under that arrangement the city of Winnipeg, for instance, will not benefit. The people of this country are gradually being taken over by the government, through its system of taxation.

The province of Manitoba is keenly alive to this question of the distribution of electrical power. We who live in that province have cheap power, and the service is being extended to farmers all over the province. The reason we are able to extend the service is that the Dominion does not tax the enterprise. Because of the burden of taxation and the consequent difficulty of getting capital and operating profitably, private enterprise will not go into such a venture.

The honourable leader spoke about subsidies—I think he used the words "support prices". Well, last year we put a support price under potatoes. Now I do not want to start a quarrel with my honourable friends from New Brunswick (Hon. Mr. Leger) and Prince Edward Island (Hon. Mr. Sinclair) but we in the West took a real beating on potatoes last year. Up to the end of March we had

lost nearly half a million dollars on a million dollar investment. Regardless of what the honourable leader says, I believe this country cannot maintain subsidies on primary products. It may be done for a year or two when the terrific taxation brings in lots of money, but when we get down to a true basis of trading we cannot afford them. How could we put a support price under wheat? Last year the West had a light crop—only about 327 million bushels—but with an average crop of say 500 million bushels, how could we ever arrange a support price for that product? The price has to find its own level. If we are not going to put a support price under wheat, then why put it under poultry, eggs, potatoes, honey, or any other primary product. Great Britain has been trying to subsidize her producers, and she has gone broke. The United States under a subsidizing plan buys up grain, cattle and other commodities at a fixed price. It is estimated that by the end of next June that country will be in debt to the extent of 5½ billion dollars above the current taxation for the year.

I have no objection to an attack on combines, if they exist in this country, but I wish to say a few words on behalf of Canadian businessmen. It may not be good politics to say it, but in my judgment it makes good sense. Canada is fortunate in her businessmen, whether they be in agriculture or forestry, fisheries or manufacturing. They stand up well in comparison with men of all other walks of life. It is the insidious witch-hunting threat contained in the Combines Investigation Act that is objectionable. Somebody gets the idea that he is paying too much for a certain commodity, and an investigation is started; but when the cost of labour, freight and taxation are considered it is frequently found that the profit is not excessive.

For many years there has been an attempt by certain groups to drive out small competitors. If this proposed measure will curtail the operations of such groups, I am all for it. The little man who is just starting up must be given a chance. I have heard of cases where big business has cut the price at which the small operator must sell his commodity, just in order to put him out of business. As I say, I am in favour of curtailing such activities, but let us not be carried away by the witch-hunting that is practised in some other countries. I can remember only two or three cases where an investigation under the Combines Act amounted to anything.

It is easy to assert that a combine exists; but what is the test? The legal profession has a tariff of charges: does that make it a combine? Go into any law office in Winnipeg, and you will be charged $7 for what in Manitoba is called a transfer; in Ontario and most other provinces it is known as a deed. All lawyers make the same charge. In lawsuits the charges are regulated through a tariff prepared by members of the Bench and Bar. Sometimes it is very hard to distinguish between a lawful combination and a combination in restraint of trade; and it is important that legislation of this kind, of itself or in the administration of it, shall not promote witch-hunting and discourage lawful business enterprise. I have wondered in the last year or two why so little money is going into enterprise. People will buy bonds and mortgages, but the problem today is to get new money into business. Perhaps—I do not know—one of the reasons is the kind of threat implied in this legislation.

I have no objection to the bill. It is intended to facilitate prosecutions by the Attorney-General of Canada apart from action by provincial attorneys-general. It will facilitate proof of the offence, if an offence has been committed, and there are other useful provisions. It does not seem to me that the bill is of any great importance, however, and I do not see any need of sending it to committee, though I have no objection, if that be the wish of honourable members.

Hon. Arthur W. Roebuck: Honourable senators, I should like to say a word in connection with this bill. In the first place let me thank the honourable senator from Shelburne (Hon. Mr. Robertson) for his excellent address and the soundness of his remarks about combines generally. I think I can assure him that every member of this house agrees heartily with his general observations as to the necessity of probing combinations which operate unduly in restraint of trade. I think the answer to what the honourable leader of the opposition (Hon. Mr. Haig) has said with regard to distinctions between one party and another in the matter of the fixing of prices lies in the fact that the Code refers not to restraint on trade but to undue restraints on trade. The difficulty, of course, is to decide what is an undue restraint.

I wish to refer to this bill because it seems to me that so far the real pith and substance of the measure has been scarcely mentioned. The clause to which the honourable senator from Shelburne (Hon. Mr. Robertson) drew attention, extending the rights of a provincial attorney-general to the Attorney-General for Canada, is all right, but of very little importance. The provision that the case shall be tried by a judge without a jury, unless an individual is charged, makes little change in the actual practice, because if I am right—and I hope I shall be corrected if I am not—all or nearly all charges of this nature in the

past have been tried by judges and not by juries. When a case was not properly submissible to a jury, the judge struck out the jury.

The real teeth of this bill are in the last section; and I think the house should realize what it is doing when it passes this particular measure. The section is somewhat detailed, but I do not think the house will regard that as an objection: it is largely in its definitions that it is important.

39A. (1) In this section

(a) "agent of a participant" means a person who by a document admitted in evidence under this section appears to be or is otherwise proven to be an officer, agent, servant, employee or representative of a participant.

You will see that agency is extended somewhat beyond its meaning in common law, and that it depends too upon subsequent paragraphs, to which I shall refer.

(b) "document" includes any document appearing to be a carbon, photographic or other copy of a document.

That is not important.

(c) "participant" means any accused and any person who, although not accused, is alleged in the charge or indictment to have been a co-conspirator or otherwise party or privy to the offence charged.

In other words, a participant is anyone mentioned as having any part in the offence.

Having settled in this very broad manner who a participant is, and who the agent of a participant is, the bill provides in subsection 2:

(2) In a prosecution under section thirty-two of this Act or under section four hundred and ninety-eight or section four hundred and ninety-eight A of the Criminal Code:

(a) anything done, said or agreed upon by an agent of a participant shall *prima facie* be deemed to have been done, said or agreed upon, as the case may be, with the authority of that participant.

It is a general principle under English law that a man is innocent until he is proved guilty; and the burden is on the Crown to show that one who is charged with an offence committed by an agent authorized that agent to commit the offence. If this bill should pass, the burden will be switched, because the fact that an agent has done something for one of these participants is now deemed to be *prima facie* evidence that the participant authorized the doing of it, although there is no evidence before the court to that effect; and the participant is under the obligation to prove his innocence before his guilt has been shown.

I pass to the next paragraph:

(b) a document written or received by an agent of a participant shall *prima facie* be deemed to have been written or received, as the case may be, with the authority of that participant; and

(c) a document proved to have been in the possession of a participant or on premises used or occupied by a participant or in the possession of an agent of a participant shall be admitted in evidence without further proof thereof and shall be *prima facie* evidence—

of all those things that I will now enumerate:

(i) that the participant had knowledge of the document and its contents.

That is, because it is found in his premises or in the possession of an "agent", as "agent" is described.

(ii) that anything recorded in or by the document as having been done, said or agreed upon by any participant or by an agent of a participant was done, said or agreed upon as recorded and, where anything is recorded in or by the document as having been done, said or agreed upon by an agent of a participant, that it was done, said or agreed upon with the authority of that participant.

Are we not going pretty far?

Hon. Mr. Moraud: Is a definition given of a "participant"?

Hon. Mr. Roebuck: Yes. I read that before I came to these sections. I shall read it again.

"participant" means any accused and any person who, although not accused, is alleged in the charge or indictment to have been a co-conspirator or otherwise party or privy to the offence charged.

That is, a charge may be laid against A of having conspired with B, who is not charged with having committed an offence. Therefore, not only A, against whom the charge has been laid, but also B, who is alleged to have been in some way a party or privy to the offence, is a "participant".

The third condition under which the section operates is as follows:

that the document, where it appears to have been written by any participant or by an agent of a participant, was so written and, where it appears to have been written by an agent of a participant, that it was written with the authority of that participant.

Honourable senators, as I say, the fundamental rule in prosecutions of this kind, which are essentially criminal, is that the Crown carries the responsibility and burden of bringing home to the accused the actual knowledge of participation in or commission of the offence, and not until the Crown has proved these things is the accused put on his defence. Unfortunately, however, incidents of this kind are rather too frequent in modern law. We are changing the ancient custon, and making a document which is found on the premises of a participant or accused—or in the hands of somebody who, according to this formula, becomes an agent at law of the accused—evidence against the accused and prime facie evidence that he had knowledge of the document, authorized its contents and was guilty of the things recorded in the document.

Honourable senators, I feel that I can make these remarks as well as any member

of this chamber without risk of being accused of siding with the combines. I do not think anybody would accuse me of that. Thirty or more years ago I represented the province of Ontario, as its counsel, in the prosecution of the alleged wholesale groceries combine in the city of Toronto. For three solid years I fought that battle, with very unsatisfactory results. I have sympathized with Mr. McGregor in the important public service he has carried on over the years, because I have known from personal experience some of the difficulties with which he has been confronted. I know that in my case it seemed to me that every man's hand was against me, because the accused were highly respectable gentlemen. Anybody who attempts the prosecution of substantial business will find against him all others in like case, and he will indeed have to possess a firm loyalty to the general public to sustain him in the adversities and discouragements he will meet on his way.

As I say, I am sure that no one will accuse me of being on the side of the combines, and yet I view with some little concern this violation of the usual principle, this relieving the Crown of its customary obligation when attacking an accused person, this switching of the onus of proof in this way. It may be that it will work out all right, because frequently a doubtful law proves good in practice when applied, operated and administered by good men. On the other hand, good laws can be poorly administered by bad men. Therefore, if the power that we are placing in the hands of those who will conduct these prosecutions is used with a full knowledge of its unusual character, with due reserve and with an eye to justice rather than success, it may be that it will assist, at least in some cases, in bringing to book those who are guilty of the important offences mentioned in the Combines Investigation Act and in the Criminal Code. But should it fall into the hands of unscrupulous people, or men who are too anxious to succeed in a prosecution, it may be the subject of some abuse.

I am not opposing this measure, I am only discussing it. I am sure we are all satisfied with the unimportant sections; but we should realize that the bill itself is changing one of the fundamentals of criminal law which has been thought in the past to be necessary for the protection of accused persons, and it is putting a heavy onus of proof upon those who, perhaps, are unfortunate in being accused in these matters. It may be said, of course, that these gentlemen may take the witness box and clear themselves after the prima facie evidence has thrown the burden of proof onto their shoulders; I only suggest that we should clearly understand and thoroughly consider what we are doing in this particular.

Hon. Cyrille Vaillancourt: Honourable senators, a moment ago, our friend from Winnipeg (Hon. Mr. Haig) remarked how difficult it was to decide just where combines started. It is sometimes very difficult to prove how certain groups may get together. There is another monopoly which goes far beyond the one to which this legislation applies; it is the monopoly which starts with production, goes on to the manufacturing and processing and finally reaches the consumer through distribution. Are examples needed? The milling industry today controls a large number of bakery and pastry concerns and will tomorrow control them even more closely.

Thus is it possible to control prices from the producer to the consumer. Under such a system, all our small bakers will disappear, and with them true competition.

Take the Unilever Company, which controls 80 per cent of the vegetable oils the world over and holds the almost exclusive monopoly of margarine. Not a single small soap manufacturer in Montreal, Quebec or Toronto can buy the oils he needs unless he does so through either one of the two world soap monopolies, Unilever or Procter and Gamble. I am not claiming that these people exact exorbitant prices from the consumer, but they do restrict initiative and destroy free enterprise.

Let us hope that the amendments proposed today will not become a piece of legislation which is not applied, but that they will be used efficiently.

There are certain things, I admit, which small concerns cannot accomplish; a small blacksmith, for instance, could not have built the Quebec bridge. One must not exaggerate, but when large centralizing organizations such as the ones I have mentioned determine beforehand the salaries of the producers and the distributors, and the price to the consumer, I feel things are going a bit far and that free enterprise no longer exists. That is what has happened in the case of margarine, where a world monopoly controls prices from the very beginning.

I could give several other examples right here in our own country. I could even mention the American monopoly of maple products, which existed twenty-five years ago. Today, thanks to co-operation, half a dozen

buyers compete freely and everyone, from producer to consumer, is more satisfied.

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.

CANADIAN OVERSEAS TELECOMMUNICATION CORPORATION BILL

FIRST READING

A message was received from the House of Commons with Bill 12, an Act to establish the Canadian Overseas Telecommunication Corporation.

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, tomorrow.

PACIFIC GREAT EASTERN RAILWAY AID BILL

FIRST READING

A message was received from the House of Commons with Bill 146, an Act to authorize the granting of a subsidy to the Government of the Province of British Columbia in aid of the construction of an extension to the Pacific Great Eastern Railway.

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, tomorrow.

GOVERNMENT EMPLOYEES COMPENSATION BILL

FIRST READING

Hon. Mr. Robertson presented Bill Z-6, an Act to amend the Government Employees Compensation Act, 1947.

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, tomorrow.

Hon. Mr. Haig: Is it printed?

Hon. Mr. Robertson: No. I will ask that it be set down for second reading on Thursday next.

SUSPENSION OF RULES

NOTICE OF MOTION

Hon. Mr. Robertson: Honourable senators, I beg to give notice that on Thursday next I shall move:

That for the balance of the present session Rules 23, 24 and 63 be suspended in so far as they relate to public bills.

Hon. Mr. Haig: We must be getting near the end.

PRIZE WINNING GRAIN

FELICITATIONS TO GROWERS

On the Orders of the Day:

Hon. W. M. Aseltine: Honourable senators, I should like to draw the attention of the house to the fact that quite recently a great honour has been won by a grain grower in the Rosetown district of the province of Saskatchewan.

Some Hon. Senators: Hear, hear.

Hon. Mr. Aseltine: That gentleman won the world's first prize for rye, not only at Toronto but also at Chicago, and he is now known as the World Rye King.

Hon. Mr. Euler: What is his name?

Hon. Mr. Aseltine: His name is Albert Kessel.

Hon. Mr. Euler: That is a good name.

Hon. Mr. Aseltine: Mr. Kessel resides on a farm about twenty miles from the town of Rosetown, in a district which ordinarily is not renowned for the growing of rye, though it is famous for its wheat. He specializes in the growing of wheat, rye and flax, and at the North Battleford fair, which was held shortly before the fairs at Toronto and Chicago, he won the first prize in every one of the seed grain classes that he entered.

Mr. Kessel is one of our new Canadians. He came from Europe to the United States, first, and then to Saskatchewan. He served in the Canadian Army throughout World War I, and on his return from overseas took up the farm which he still operates, in a district known as the Eagle Hills. It is on highway No. 4, and as you go by it, along the edge of the hills, you see a sign "Vimy Ridge Farm". I think we should offer our congratulations to this young man for what he has done in developing a better quality of rye.

Some Hon. Senators: Hear, hear.

Hon. Mr. Aseltine: I also think that our congratulations should be tendered to Mr. Sydney H. Pawlowski, of Spedden, Alberta, upon winning at Chicago the prize that entitles him to be known as the World Oats King.

Some Hon. Senators: Hear, hear.

Hon. Mr. Aseltine: And although British Columbia is not known as a wheat producing province, a lady farmer out there was awarded at Chicago the first prize for seed wheat. She is Mrs. Amy Grace Kelsey, of Erickson, who now wears the crown of World Wheat Queen. I am sure you will all join me in offering congratulations to Mrs. Kelsey also.

Some Hon. Senators: Hear, hear.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, November 30, 1949

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

Prayers and routine proceedings.

TRANS-CANADA HIGHWAY BILL

FIRST READING

A message was received from the House of Commons with Bill 194, an Act to encourage and to assist in the construction of a Trans-Canada Highway.

The bill was read the first time.

SECOND READING

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

Hon. Mr. Robertson: For the information of the house, I should say that this bill and others in which you will be asked to concur will be presented this afternoon. I am not ready to proceed with the other bills, but I am prepared to go ahead with this bill, and am asking the honourable senator from Lethbridge (Hon. Mr. Buchanan) to explain it.

Hon. W. A. Buchanan moved the second reading of the bill.

He said: Honourable senators, before proceeding to explain the various provisions of the bill, I should like to make a few remarks about the agitation which has taken place over the years for a trans-Canada highway. As a former member and as present chairman of our Standing Committee on Tourist Traffic, I have become familiar with this agitation. I would say that at almost every session the matter of a trans-Canada highway was presented to us by tourist authorities who argued that in the interests of Canada's tourist trade it was highly important that there should be a highway from the far eastern part of the country to the extreme west.

That viewpoint has been held, not only by tourist traffic advocates, but also by many other organizations throughout the country. I would say that there is a unanimous opinion in Canada in favour of a trans-Canada highway, not only for the purpose of promoting tourist traffic but also for bringing closer together the people of the various parts of Canada. We know that people in eastern Canada who wish to go into western Canada by automobile are required to travel a considerable distance through the United States. They cannot pass from Ontario—at least not very comfortably—into Manitoba. They have to cross the American border and proceed to a point south of Winnipeg and then move over into Manitoba. Even then they cannot travel on a highway that is attractive to tourists. Therefore, the measure now before us is the beginning of an objective of many organizations and of the people of Canada in general.

I feel that the trans-Canada highway will be very helpful in building up a better understanding between all parts of Canada, because it will enable all motor-minded citizens to move from one part of Canada to other parts. It will also bring about a better understanding between our people and our neighbours to the south, because a well-built, hard-surfaced road spreading itself from one end of the country to the other, will attract many more tourists than now come to this country. The highway is also going to enable us to become acquainted with parts of our country that are not accessible at the present time. There is a motor road along the north shore of Lake Superior, but it is not of such a character as to attract very many tourists. We see glimpses of that rugged country from the trans-continental train, but we cannot become intimately acquainted with it unless there is a highway which enables us to pass through it, spend some time in it and enjoy its beauties.

Each province of Canada has its own attractions and we want Canadians and our American neighbours to enjoy these attractions.

Honourable senators, I come now to the bill itself. It is entitled an Act to encourage and assist in the construction of a Trans-Canada Highway. The purpose of this bill is to make travel from coast to coast, over an all-Canadian highway an everyday occurrence. By that I mean that it is going to be an all-weather highway, and it should be open for motor traffic at all times of the year.

The bill itself does not provide for the construction of a trans-Canada highway, it enables the federal government under certain conditions to enter into agreements with the various provincial governments, and these agreements would provide for construction of the highway. For some time now the federal government has been consulting with the governments of the provinces in order to formulate an over-all policy. Last December a conference was held with the provinces to deal with preliminary matters. At that time the project was under the then minister of mines and resources, my colleague from Edmonton (Hon. Mr. MacKinnon), but since then it has been transferred to the Minister of Reconstruction and Supply, the Honourable

Mr. Winters. In August and September of this year the minister visited the provinces and discussed details of the plans with the provincial governments. From those discussions and visits there have developed certain general principles which the federal government has reason to believe will form an important part of the ultimate agreements. The general principles have been put forward to the provinces in correspondence, and nearly all the provinces have replied, indicating that they agree with these principles. I am advised that the concurrence, in a general way, of those that did not reply has been obtained orally. As I say the agreements are on general principles only, and do not involve details.

Some of the suggested terms of agreement that were forwarded to the provinces are as follows:

(a) that the highway should be a modern, first-class, hard-surfaced road, following the shortest practical East-West route consistent with the needs of the provinces and Canada as a whole;

(b) that the provincial government would be responsible for the selection of a route in conformity with the above-mentioned definition;

(c) that except in national parks, the province would arrange for the execution of the work;

(d) that the highway, when completed, would remain in each province the property and responsibility of the province;

(e) that the federal government's contribution would be in respect of a two-lane, modern highway;

(f) that the federal government's contribution would be on the basis of 50 per cent of the cost to the province of completing the highway;

(g) that an additional contribution would be made, on a 50-50 basis of the costs of the province, for those portions of already existing highway which would be included in the trans-Canada highway;

(h) that the highway should be completed within a period of seven years;

(i) that all ordinary maintenance costs during or after the period of construction would be the responsibility of the province;

(j) that tenders and specifications for contracts would be subject to review by the federal government;

(k) that inspection of the highway and audit of costs would be the privilege of the federal government.

Suggested standards, including a width of pavement of 22 or 24 feet and a minimum right-of-way of 100 feet, were also placed before provincial governments. It is recognized, however, that of necessity there will be variations to meet local conditions, and it is emphasized, therefore, that the various technical specifications were put forward only as suggestions.

I thought that a rather terse statement of the general principles of the bill would make the project more readily understood by honourable members. I should now like to make some further remarks.

It will be remembered that highways are a matter of provincial jurisdiction. I recall being a member of the House of Commons in 1919, when a bill was put through parliament providing for a grant for highways. The trans-Canada highway, as we are speaking of it today, was not in mind at that time; the purpose then was to assist the provinces in the extension of a highway system. It was, however, recognized at once that the provinces had control over highways. At every stage of the proceedings in connection with this measure the government has recognized the control which the provinces possess. They have been building highways for many years, and have specifications that apparently suit their needs. No attempt will be made to impose on them specifications which are not suitable. There are certain points upon which various provinces differ, and there are technical details still to be worked out, but as I have said, the provisions which I have read have been well received.

The matter of route has been left to the provinces. Some have already indicated their choice; the remainder are in the process of trying to reach a determination. The highway as originally contemplated was to stretch from Halifax to Vancouver. This has been changed, and it is now proposed that it should run from Vancouver Island to Cape Breton Island, and should extend into the island provinces of Prince Edward Island and Newfoundland.

It is estimated that the highway, of some 5,000 miles in length, will cost approximately $300 million. This bill provides for payment by the federal government of a share up to $150 million. This calculation is made on the basis of $60,000 for each mile of new road that has to be built. In the case of this new construction the position of the federal government is relatively simple. Its share will be one-half of the total cost. In the case of roads already existing, it is proposed that the federal government shall pay each province concerned one-half of the original cost of those roads. This will have the effect of making the federal government's share for new construction considerably more than fifty per cent. The provinces will be paid for roads already existing, on which they will not have to spend any money. They can apply the money which they are not required to spend on existing roads to their share of the cost of new construction. It is expected that in some cases this will mean the federal government's contribution will finance as much as 70 per cent of new construction.

The principles so far arrived at are the result of discussions not only with the provinces, but with the Canadian Construction Association, the Good Roads Association and

other interested organizations. Much information has been gathered from the appropriate officials of the public roads administration in the United States.

With this broad background it is the intention of the government to finalize agreements with the provinces as soon as possible. Most of the provinces have signified their desire to start construction early in 1950, and it is the government's intention to facilitate that desire in every way.

In closing, may I be allowed to express some personal opinions which, I am sure, are not the opinions of the Minister responsible for the Bill or of the government itself. I envisage the time when there will be possibly two or three highways across Canada. I say that because of experience in the United States, where a number of highways have been constructed with funds furnished by the federal government at Washington, combined with assistance from the states. My understanding is that in the United States contribution has been made on the same basis as is provided for in this measure—50 per cent by the federal government and 50 per cent by the states governments.

When speaking of more highways than the one we are considering at the moment, I have in mind parts of Canada where there are outstanding scenic attractions. I might mention the area around the St. Lawrence River. A highway on one side of the St. Lawrence River may be all right in the early part of what we may call the trans-Canada highway policy, but the time will come when it will be necessary to provide federal assistance for a highway along the other side of the river. The same condition may exist in the provinces bordering the Atlantic Ocean; certainly it exists in Western Canada, where we have the great Rocky Mountain ranges, with some of the finest scenic attractions in the dominion. I was about to say that we have attractions superior to those of the Alps in Switzerland. At least I may say that they equal them. We know that Switzerland, because of its great mountain attractions, benefits largely in the receipt of money from tourists. The same possibility exists for Canada: tourist traffic can be expanded to a remarkable extent if we have roads, accessible to tourists, which lead into these places.

I do not know whether the statement which was made as to the intentions of the Alberta Government with respect to the location of the route is official or not, but the impression has been left that the highway in that province which is to be part of the trans-Canada highway will run to Calgary, through Banff National Park and into British Columbia by the Kicking Horse Pass. But any resident of Alberta knows there is a pronounced opinion that great attractions for tourists are found in other mountain sections, for instance from Edmonton west to Jasper Park and thence to the Pacific coast. I recognize that this bill does not provide any ground for a discussion of the route, which is a matter for decision by the provinces concerned, but if I were in Alberta, and arguing as to which course the highway should take, naturally I would contend that the road which could be built up most quickly, and would probably have the largest population contiguous to it, would be the Crowsnest route. It may be that at some later time federal assistance will be given for the construction of other routes, particularly in such parts of the country as I have referred to; and that this bill is but the initial stage of a program of federal assistance to highways. I express only my own opinion, but I believe that in time there will be assistance from the federal treasury for other routes, probably not extending wholly across the country, but designed to meet conditions which exist in the province of Quebec, possibly in the Maritimes and Ontario, and certainly in the areas bordering the Rocky Mountains.

I close with the thought that this measure is for the purpose of initiating a transcontinental highway on which the Canadian people can travel from one end of the dominion to the other, and which will enable people from other countries to see more of Canada than is possible now on an all-weather highway. I believe this measure will have valuable results in bringing our people more closely together, making them better acquainted with each other. Now and for some years past people have preferred to travel about the country by automobile rather than by train, because they are enabled to see the country in their own way, to stop off where they wish and remain overnight or for a day or so. As I have said, movements of this kind from one part of the country to the other will give our people a better knowledge of each other than they have at the present time. I have pleasure, therefore, in moving the second reading of this bill.

Hon. John T. Haig: I shall not delay the house long. All of us are glad that there is at least the possibility of a trans-Canada highway, but I am not an unqualified optimist about it. I do not believe you will be able to take a trip on it next summer, or, perhaps, ten years from next summer.

Hon. Mr. Buchanan: It must be built within seven years.

Hon. Mr. Haig: I have read the statute and know what it says; but the time can be extended.

Hon. Mr. Howard: It can't go through Winnipeg!

Hon. Mr. Haig: It can't go any place else. Ours is the only province in which there is unanimity as to the course the road should take. I understand that in the Maritime Provinces, Quebec, Ontario, Saskatchewan, Alberta and British Columbia there are sections of public opinion which differ as to the route the road should take through their areas; but there is one province and one city which cannot be by-passed, because if the road through Manitoba were to run a little further north it would run into the lake; were it routed a little further south it would pass over into the United States. It has to go through Winnipeg.

That point being settled—

Some Hon. Senators: Oh, oh.

Hon. Mr. Haig: —I will go on to discuss other matters. If I suggest some difficulties, it is not for the purpose of throwing cold water on the scheme. My experience in life has taught me that if one faces difficulties at the outset they are not so bad afterwards, but if they are ignored or overlooked in the beginning, they come bobbing up all along the way.

The first difficulty, of course, concerns the lay-out of the route. Like the honourable senator who has just spoken, I understand that it has been agreed by the provinces of Alberta and British Columbia that the road through the mountains shall be via the Kicking Horse Pass.

Hon. Mr. Buchanan: I do not say that that is official. I say that it is my understanding.

Hon. Mr. Haig: And mine is exactly the same. The Premier of Alberta has made an announcement, and the road has got to go where he says it is to go. Whether the route through Alberta is north, by Jasper, or through the Kicking Horse Pass, or down in the territory of the honourable senator from Lethbridge, the choice made will inevitably determine the route through Saskatchewan. With the greatest respect for the people of Saskatchewan, I must point out that the building of the highway in their province, especially the construction west of Moose Jaw, will pose serious problems, because the greater proportion of the population will not use the road west of Moose Jaw; they prefer to go north to visit their great national parks. The direction of tourist traffic from the United States is and will be from the south to the north, where there are good fishing grounds. The honourable senator to my left (Hon. Mr. Aseltine) says that the finest fishing grounds in the world are in northern Saskatchewan. So the difficulty to be faced is that an important part of the trans-Canada highway in Saskatchewan will not be much used, and special assistance to the province will be necessary if that section is to be completed. In some years Saskatchewan, especially in the southwest, has experienced great difficulties because of adverse crop conditions. From the point of view of utility to its citizens, probably a better route would be north through Saskatoon and on to Edmonton.

Then let us look at conditions in Ontario. I can appreciate the viewpoint of people in the older areas. Is the road to run from North Bay direct to this capital city, and thus sidetrack Toronto—which I would not be unwilling to do—

Some Hon. Senators: Oh, oh.

Hon. Mr. Haig: —or will it run through Toronto and by the St. Lawrence river? Another problem is connected with the construction of the road from Sault Ste. Marie to Fort William. The scenery along the lake shore is beautiful, but the cost of construction will be terrific, and the road will traverse along territory in which there is practically nothing to do but drive.

We in Manitoba have long favoured the idea that first there should be agreement on the entire route, and, once that primary difficulty is disposed of, that priority should be given to the construction of certain parts of the highway instead of a start being made at one end and driving right through. For instance, if the people of Manitoba, Saskatchewan and Alberta are to use the highway, the road from Winnipeg to Fort William is particularly important. People from the western part of Manitoba and Saskatchewan can drive down to Fort William, put their cars on the boats, cross to the other side of the lake and drive down through Ontario. Many people are making that trip now. There is another route much favoured by American tourists from the centre and middle states. They come straight up from Minneapolis and St. Paul to Winnipeg, travel east to Fort William, journey along the lakefront to Duluth and then return to Minneapolis and St. Paul. These are some of the difficulties we have to face.

I do not believe that this road can be built for the figure named, because we are asking the provinces to bear, in addition to the load of 50 per cent, the cost of maintaining the highway. As my honourable friend from Provencher (Hon. Mr. Beaubien) well knows, we have been building roads in Manitoba for

a good many years. Our subsoil is not good for road building, and expensive foundations have to be laid in order that the roads will stand up. Heavy winter frosts and certain other conditions make the upkeep of the roads very expensive. Is it fair to ask the provinces to maintain these roads? Take No. 1 highway, which runs from Winnipeg to Brandon, a distance of approximately 145 miles. I cannot tell you how much it costs to maintain that road, but I recall that when I was in the legislature of Manitoba estimates came up each year for repairs.

What about building these roads north and south? My honourable friend from Rosetown (Hon. Mr. Aseltine) says there is good fishing in Northern Saskatchewan. Well, there is good fishing in Northern Manitoba.

Hon. Mr. Aseltine: Where?

Hon. Mr. Haig: North of Le Pas. I may tell my honourable friend that Manitoba is the only province that has dammed up its northern lakes so as to maintain water levels the year round for fowl, and if it were not for the Dominion Government helping to build dams in Saskatchewan, there would be no ducks or anything else there. There are great natural resources in the northern part of Manitoba, but they are difficult to get at. It was a common sight this summer to see as many as ten and twelve tourist outfits travelling north each day. They had boats on the tops of their cars, and rigs for sleeping in. They were going up north to fish.

Hon. Mr. Aseltine: All the hunters go to Saskatchewan.

Hon. Mr. Haig: I did not know there was any hunting at all in Saskatchewan.

Some Hon. Senators: Oh, oh.

Hon. Mr. Haig: The wild life of Alberta, Saskatchewan and Manitoba is found in the northern parts of these provinces. I can imagine a man who lives south of the Alberta boundary wanting to travel to the northern part of Alberta. I can imagine that if I lived in southern Saskatchewan I would want to go up to the beautiful lake they have in northern Saskatchewan. The same is true of Manitoba: everybody wants to go north. Every summer a special train is put on the run to Churchill, and I presume it is booked up now for next summer.

I am in favour of the bill, but if the honourable senator from Lethbridge (Hon. Mr. Buchanan) lives for another ten years, as I hope he will, I am sure he will introduce a new bill to grant another $150 million to complete the building of this trans-Canada highway. It will cost us about that much in the long run, and we would be lucky to get by even at that figure. I suggest that the Dominion Government, through the Minister of Reconstruction, should get the provinces together and have them agree on the over-all picture.

If I may be pardoned for referring to my native province of Manitoba, which I do not usually do—

Some Hon. Senators: Oh, oh.

Hon. Mr. Haig: —I should like to say that last year we undertook to build a superhighway from Winnipeg straight south. We had an awful time, and there was a bitter struggle in the legislature as to where the highway should be built. Some thought it should run east of the Red river and others thought it should run west. In fact, this difference of opinion had repercussions in the recent election. The highway was built on one side, and those who wanted it on the other side were very discontented.

The over-all picture should be decided upon before any work is commenced. Otherwise we shall run into difficulties. All across Canada thorough tests should be made of the soil where the highway is to be constructed. I know a young man in Winnipeg who as chief highway engineer does this work for the province of Manitoba. He also performed a similar duty for the Dominion Government when they were building air runways during the war. He told me about the differences in soils which looked alike. I know that the Red River Valley in Manitoba has a peculiar soil formation. Down about twenty feet from the surface there is a belt of yellow clay which is much like a sponge. When there is an abundance of rain the soil swells up, but during a dry spell it contracts and sinks. It is therefore not an uncommon sight in Winnipeg and surrounding districts to see houses that have dropped three-quarters of an inch in one year and have to be jacked up. The same condition affects the highway which runs from Winnipeg to Portage la Prairie. I urge that the provinces be brought together to agree on the type of highway that should be constructed and where it should run. These matters should be decided before we spend a nickel.

Hon. Mr. Buchanan: I think that is the understanding.

Hon. Mr. Haig: That may be the understanding, but I want it to be a fact. For instance, failure on the part of Saskatchewan, Alberta and British Columbia to reach a decision would make a difference to Manitoba. Suppose it were decided to build the highway through Edmonton. The road would then run northwest from Winnipeg. If the road were to go through Calgary, it would run straight

west from Winnipeg. This would make quite a difference. The same situation would prevail in Ontario. At the present time a road runs north through Cochrane, practically following the route of the Canadian National Railway; but the best road would be via Lake Superior, because this would provide a closer connection for American traffic. Many Americans come up from Wisconsin and Michigan, travel as far as Fort William and then follow the lake. These factors are very important.

Honourable senators, I am glad this bill has come before us, and I am sure that every Canadian welcomes the prospect of a trans-Canada highway. I entirely agree with the honourable senator from Lethbridge (Hon. Mr. Buchanan) that such a highway would help to unite Canada as nothing else would. People from different parts of the country will be able to visit each other more freely. I have in mind a young man of about eighteen or nineteen years of age, who was sent by the son of one of our senators on a trip to the coast. On his way west he stopped off at Winnipeg and visited some close friends of mine, and upon his return journey he paid them another visit. This is the sort of thing that means so much to the unity of Canada. I do not care what you say to a young man from Quebec about what a good place Winnipeg is to stop off at—and the same is true about Vancouver—a personal visit will do much more to convince him. I see that a certain senator from Vancouver knows what I am referring to. These things may not mean much to you or to me, but they will mean very much in twenty years' time to those who are our young people today. I heartily support the bill.

Hon. J. H. King: Honourable senators, I feel that it is rather incumbent upon me to say a few words about this measure. As you know, for many years I have been associated in an official and legislative capacity with the administration and construction of railways, highways and other public works. It is amazing to me that a suggestion that it is the desire and the purpose of the federal government, in co-operation with the ten provinces, to build five thousand miles of highway, should be presented to us in the form of such a short bill as this, and that we should accept it. Why are we prepared to do this? It is because the groundwork has been laid. We have built two railways across Canada and we know what they have done to support the confederation of the provinces that constitute this great dominion.

It has been said that the bill is long overdue, and I am of that same opinion. In fact, for years I have been urging that it was the duty of the federal government to build or to assist in the building of a national highway across Canada, for to my mind such a road will do more than anything else to cement our national unity.

I wish to compliment the mover of the second reading (Hon. Mr. Buchanan) upon his clear statement of what is proposed by this bill, and also to congratulate my honourable friend the leader of the opposition (Hon. Mr. Haig) on his speech. He has some doubts as to the possibility of carrying through this undertaking. But I am sure that if he will read the minister's statement and recall what has already been accomplished in Canada, he will admit that today the people of this great country are much more interested in co-operation and unity than in provincial rights.

Some Hon. Senators: Hear, hear.

Hon. Mr. King: That co-operation and unity was demonstrated in the tremendous war effort made by our people during the recent world conflict.

The statement made by the minister when he introduced the bill in another place showed with what care he consulted the various provincial governments, and I have no doubt that agreements will be made with the provinces, and that the highway will be constructed within even a shorter period than he indicated.

From my own experience I know what the building of highways in pioneer country means. When I first entered the Kootenay country, in 1898, we had only Indian trails. There was no connection between East and West Kootenay; between West Kootenay and the great Okanagan Valley; or between the southern portion of British Columbia and that vast hinterland lying beyond the Peace River and the Finlay River in Northern British Columbia. But thanks to the industry and aggressiveness of the people of British Columbia, we now have highways that link together the various valleys and settlements throughout that great province.

The cost of building a modern highway across the country is too great to be met out of provincial revenues, and for that reason I think the Government of Canada should be commended for coming forward and offering to co-operate with the various provinces in the construction of this proposed trans-Canada highway. The highway will open up vast areas of resources and scenic delights beyond the conception of those who have not travelled widely in Canada. It will enable the people of Canada to become better acquainted with their own country, with its present and potential riches.

To one who has been associated with public works, as I have been, this is a most welcome measure. I became Minister of

Public Works in British Columbia in 1916, during World War I. I have had the opportunity of serving as Minister of Public Works in two governments, one federal and the other provincial, both during and after a war when apparently there was no money available for expenditure on public works. But as the country grew and its population increased, our various provinces managed to build quite a few good highways, and today we have a system of highways which under this bill can be linked together to form a great trans-Canada route. I believe that it will not require seven years to finish the trans-Canada highway, but that with proper engineering technique and with co-operation between the federal and provincial governments great portions of it will be available for use within the next three or four years.

This great highway will serve not only our own people but all who come to visit Canada, and in that way it will be a tremendous boon to our tourist traffic. There is in my mind no doubt that the investments which the federal and provincial governments will make in this highway will yield a many-fold return over the years, a return that possibly will become evident during construction of the road, and certainly shortly afterwards.

Honourable senators, it is not my purpose to speak at length on the bill. Having had something to do with pioneering, not only in my native province of New Brunswick but in the great province of British Columbia, I am happy to see the introduction of this bill, for the trans-Canada highway will make the material riches and the scenic beauties of this country more readily accessible to our own people and to the people who visit us from other lands.

Some Hon. Senators: Hear, hear.

Hon. R. B. Horner: Honourable senators, I just wish to say a few words from the point of view of one who lives in Saskatchewan. Mention has been made here of the difficulties of various provinces with respect to highway construction, and it has been pointed out that Saskatchewan will have very little if anything to say about the route to be taken by the proposed trans-Canada highway. Saskatchewan, because its population is spread out thinly over a huge area, has probably twice as many miles of road per capita as any other province. An all-weather road from the south to the north is a "must" for my province if it is to reap the greatest possible advantage from tourist traffic. The same is true also of other provinces. The honourable senator who introduced the bill (Hon. Mr. Buchanan), mentioned the great advantages to be gained from the tourist trade by reason of the proposed highway. I am not opposing the bill on that ground, but I regret that it is proposed to build a highway parallelling railways over which people can now travel and see much the same scenery as they would see from a highway. If it were possible, I should like to see the trans-Canada highway break new ground, and, for instance, go up by Goldfields, which is now almost inaccessible to the average traveller.

Hon. Mr. Robertson: That is well north of the city of Winnipeg.

Some Hon. Senators: Oh, oh.

Hon. Mr. Horner: Yes, north by way of Flin Flon.

I wish to point out, honourable senators, that because of the enormous burden Saskatchewan bears in maintaining many miles of road, some special consideration should be given to that province on the question of costs.

Hon. Thomas Reid: Honourable senators, I rise principally to ask a question of the honourable senator who sponsored the measure. But before doing so, I ask the indulgence of the house while I say a few words on the bill.

With the objects and principles of the bill I think we are all agreed. It is with the arrangements for the payment of the cost that some of us take issue. I, like the previous speaker, have always thought that when the time came for the building of a national highway, the Dominion Government would assume responsibility for a hundred per cent of its cost. What concerns me is that there is going to be a great deal of log-rolling in the provinces with respect to the route to be followed —whether the highway will go through this city or that—and that unless the Dominion Government takes some stand in the matter we may not have the truly national highway which the members of this house envisage.

I have had the experience of driving across the continent by motorcar some eight times. One of my trips was made through Canada, and after it was over, I said "Never again". Anyone who has crossed the country on the present Canadian roads realizes the great need for a national highway. To those senators who have spoken on behalf of Saskatchewan, I say that I hope the federal government will not approve of the building of a national highway through the "Dust Bowl". Any tourist who has run into a dust storm in the province of Saskatchewan certainly would not choose to travel that route again.

I am one of those who has never been convinced that we have received the great amount of money which is said to come to Canada by way of tourist trade from across the border.

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Reid: I have talked to many Americans who come every year to the province of British Columbia, and I can assure honourable senators that they bring everything they need with them. They travel in modern motorcars and haul up-to-date trailers with frigidaires in them. The only thing they spend money on in Canada is gasoline. I think those who are drumming up the tourist business merely multiply some fictitious and imaginary sums and say that because we have had so many tourists therefore so much money has been spent here.

The great benefit of a national highway, as was pointed out by the honourable senator who sponsored the bill, lies in the tremendous convenience it will be to Canadians in travelling from one end of the country to the other. It will mean that the people of the eastern and central provinces will have an opportunity to see the great natural beauties of British Columbia and to realize that we in that province are truly Canadian.

I think it would be a mistake to build this proposed highway piecemeal. Anyone who has travelled across the United States knows that the modern highways in that country do not pass through the cities. From what I have heard of the discussion in the other place, there is a lot of log-rolling taking place with a view to having the highway go through this city or that. I am concerned about the possibility that, unless the Dominion Government gives some direction, the highway will not be what we envisage.

My question to the honourable senator who sponsors the bill concerns section 8, which reads:

> The Minister of Mines and Resources may out of moneys appropriated by Parliament provide for the construction of such highways within the National Parks as form part of a trans-Canada highway.

My question is this: Will the Minister of Mines and Resources, when this highway is built, allow trucks to travel through the national parks? At the present time they are prohibited from doing so. In Vancouver and New Westminster we have trucking outfits which want to carry produce to Calgary and Edmonton but when they ask for permission to travel on roads through the national parks, the Minister of Mines and Resources refuses to grant it. It is only by special leave that a truck is allowed to go into the parks. I am wondering whether the Minister of Mines and Resources will allow a right-of-way through the national parks to commercial trucks en route from the Pacific Coast to certain points in Alberta. May I have an answer to that question?

Hon. Mr. Copp: How can the honourable senator answer that question?

Hon. Mr. Reid: He could find the answer.

Hon. Mr. Robertson: Honourable senators, it is my intention to move, if and when the house gives the bill second reading, that it be referred to committee. The honourable member from Lethbridge (Hon. Mr. Buchanan) may have some particular knowledge which I do not possess, but my common sense tells me that the ordinary provisions affecting the operation of trucks in national parks would cover the proposed national highway, unless special circumstances exist.

Hon. Mr. Buchanan: I may say to the honourable senator from New Westminster, (Hon. Mr. Reid) that I have read the discussion which took place in the other house, and the question now asked was put to the minister. He replied that the department realized the existence of this problem, and that it was proposed to discuss it in the conference between the federal and provincial governments, with a view to overcoming it.

If I might offer a suggestion of my own, which as a supporter of the government I have no right to do, I would say that the only route which would not be subject to that obstacle would be the southern route through the Crow's Nest Pass.

Some Hon. Senators: Oh, oh.

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.

The motion was agreed to.

NATIONAL HOUSING BILL

FIRST READING

A message was received from the House of Commons with Bill 142, an Act to amend the National Housing Act, 1944.

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, tomorrow.

FISH INSPECTION BILL

FIRST READING

A message was received from the House of Commons with Bill 63, an Act respecting the Inspection of Fish and Marine Plants.

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, tomorrow.

I may say that there is some uncertainty about whether we will be able to proceed tomorrow with all the matters before us. For the convenience of all concerned I have asked that certain measures be put down for consideration then, but if for some reason I am not prepared to go ahead at that time, they may have to stand until the following day.

ROYAL CANADIAN MOUNTED POLICE BILL

FIRST READING

A message was received from the House of Commons with Bill 64, an Act to amend the Royal Canadian Mounted Police 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, tomorrow.

DIVORCE STATISTICS, 1949

FINAL REPORT OF COMMITTEE

Hon. Mr. Aseltine (Chairman of the Standing Committee on Divorce): Honourable senators, I know that you have been waiting for the final report of the Standing Committee on Divorce. I propose at this time to read it.

The Standing Committee on Divorce beg leave to make their 180th report, as follows:

For the present session 244 petitions for bills of divorce were presented to the Senate and dealt with by the Committee on Divorce, as follows:

Petitions heard and recommended	166
Petitions heard and rejected	1
Petitions withdrawn	8
Petitions not proceeded with at the present session	69
Total	244

Of the petitions recommended during the present session 43 were by husbands and 123 were by wives. All petitioners are domiciled in the province of Quebec.

The committee held 29 meetings. On seven days the committee functioned in two sections.

In 36 cases the committee recommended that part of the parliamentary fees be remitted.

The fees paid in Parliament for bills of divorce (heard and recommended) during the year 1949 amounted to $64,800.

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:

1940	62
1941	49
1942	73
1943	92
1944	111
1945	179
1946	290
1947	348
1947-48	292
1949 (both sessions)	350

I think honourable senators would be interested in a few other statistics, covering the number of divorces granted in the whole of Canada during that part of the last three years of which there is a record. The 1949 record is not yet complete.

Dissolutions of marriages classified according to sex in Canada, by provinces, 1946 to 1948:

To husbands	1946	1947	1948[1]
Canada	3,616	3,537	2,643
P.E.I.	4	13	30
N.S.	151	126	42
N.B.	214	121	88
Que.	88	110	77
Ont.	1,261	1,582	1,215
Man.	323	272	178
Sask.	263	250	130
Alta.	487	404	297
B.C.	825	659	586

To wives	1946	1947	1948[1]
Canada	4,067	4,662	4,238
P.E.I.	..	5	19
N.S.	109	81	36
N.B.	168	115	123
Que.	202	238	215
Ont.	1,378	1,927	1,892
Man.	313	393	299
Sask.	242	259	203
Alta.	475	477	354
B.C.	1,180	1,167	1,097

Total	1946	1947	1948[1]
Canada	7,683	8,199	6,881
P.E.I.	4	18	49
N.S.	260	207	78
N.B.	382	236	211
Que.	290	348	292
Ont.	2,639	3,509	3,107
Man.	636	665	477
Sask.	505	509	333
Alta.	962	881	651
B.C.	2,005	1,826	1,683

[1]Preliminary figures.

In 1946 about 50 per cent of the applicants were husbands and 50 per cent were wives: these proportions may be explained by the fact that during the war many husbands were overseas and their wives were left in Canada. In 1949, as far as I can find out, about 25 per cent of petitions for divorce were presented by husbands, and 75 per cent by wives.

I do not propose to go into the general question of divorce.

Hon. Mr. Robertson: Before we pass from this matter, I should like once again to express my appreciation of the work of the Chairman

of the Divorce Committee and those associated with him. It is an arduous task, and they have discharged their duties in a manner that is a credit to themselves and to the Senate. It remains to be seen whether some other method will be adopted in the future; but while the trial of divorces remains a function of this house, it is our responsibility to see that it is properly discharged.

As government leader in the Senate, I want to again express my appreciation of the splendid and untiring services of the honourable senator from Rosetown (Hon. Mr. Aseltine), and those associated with him.

Some Hon. Senators: Hear, hear.

NATIONAL DEFENCE BILL

REPORT OF COMMITTEE—CONSIDERATION POSTPONED

Hon. Salter A. Hayden presented the report of the Standing Committee on Banking and Commerce on Bill J-5, an Act respecting National Defence.

He said: Honourable senators, the committee have, in obedience to the order of reference of November 8, 1949, examined the said bill, and now beg leave to report the same with several amendments.

As I understand it is not the intention to deal with this report before tomorrow, I do not think it is necessary for me to read the various amendments.

Some Hon. Senators: Dispense.

The Hon. the Speaker: When shall these amendments be taken into consideration?

Hon. Mr. Robertson: Next sitting.

CANADIAN OVERSEAS TELECOMMUNICATION CORPORATION BILL

SECOND READING

On the Order:

Second reading of Bill 12, an Act to establish the Canadian Overseas Telecommunication Corporation.

Hon. Mr. Robertson: I have asked the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) to handle this bill.

Hon. Arthur W. Roebuck: Honourable senators, this is a somewhat important bill, involving a large amount of detail. It came into my hands only yesterday afternoon, and I may have to ask your indulgence if I cannot answer all the questions that may be put to me at this time.

The purpose of the bill is to nationalize the telecommunication system of Canada, in association with other members of the British Commonwealth of Nations, so that our particular system will be Canada-owned. The present action is really the culmination of a long growth in telegraphic communication, and is the outcome of the wonderful inventions which have practically abolished the time element in the transmission of electrical messages.

In this connection it is interesting to recall the laying of the first cable across the Atlantic ocean. It was in 1858 that the method of electrical communication was applied successfully, or with partial success, to over-ocean or under-ocean communication. The first cable was laid by two ships which sailed into the middle of the Atlantic ocean, where they spliced the two halves of the cable and sailed in opposite directions, reaching shore without a cable break. While the cable was successfully laid, unfortunately the cable itself was only a momentary success. The records show that it took sixty-seven minutes to transmit a ninety-word message from Queen Victoria to the President of the United States, and that shortly afterwards the signals failed altogether. It was not until 1865 that the magnificent ship, the *Great Eastern*, finally succeeded in laying a permanently successful cable from Great Britain to Newfoundland. This cable was later connected with the mainland, and I understand it is still doing business. The *Great Eastern* has been described as the most discussed ship that ever was built and also the most signal failure in the history of shipbuilding. She was a vessel of 18,915 tons with eight engines, and costing £750,000. She was for those days, a tremendous ship, and when I heard about her in my youth I was amazed; but compared with present-day ocean-going ships of 35,000 tons, she is nothing much to speak about. So large was the *Great Eastern* that in those days they could not get enough cargo to make her a commercial success, and so she was used to carry troops, and later was fitted for the laying of cables. Chartered by a company organized by Cyrus W. Field, whose name is still a household word among those of our generation, the ship successfully laid this 4,000 ton cable over a distance of 2,370 miles at a total cost of $1,256,000.

These figures are interesting because they compare most strikingly with those of modern times and modern successes. Before concluding my reminiscing I would point out that the *Great Eastern* was finally sold for £16,000, taken to a shipyard and was broken up. Since that time the whole world has been interlaced with cables which carry commercial and other messages instantaneously.

Another interesting point is that the cost of sending a message, not exceeding twenty words, over this first cable laid by the *Great Eastern* was £20; or £1 per word. A pound was a pound in those times. Nowadays a cable can be sent to England for ninepence, or eighteen cents a word, and there is no limitation on the number of words.

The first wireless signal to go across the ocean was sent from Cornwall to Newfoundland in 1901. That was just a general broadcast, and the first beamed message was sent in 1908. The relative inexpensiveness of wireless signals soon threatened to put the cable companies out of business and resulted in the making of certain arrangements for the control of the wireless and cable systems. The name of the company owning the cables between Great Britain and Canada and other parts of the then Empire was formerly the Imperial and International Communications Company and is now Cable and Wireless Limited. That is the company with which we are dealing in this bill. The purpose of the bill is to constitute a company called Canadian Overseas Telecommunication Corporation, which will take over that portion of the assets of Cable and Wireless Limited located in Canada, and make them Canadian owned. Other countries of the Commonwealth are taking similar action. The undersea cables will remain the property of the United Kingdom and under the control of the post office department of that country.

The competition of wireless messages with cable messages made it difficult for the cable companies to survive, and at a great conference, which I think was held in London, the interests of all the telecommunication companies were merged. That was in 1928. It was felt, quite properly, that although wireless communication possessed certain advantages over cable communication, it was necessary to maintain the cables because they made it possible to render some services which could not be rendered by the new wireless method. So the cable and radio interests were merged, with a capitalization of £30 million. Earnings of the merger were limited to approximately 6 per cent, or £1,865,000. No ownership was affected at that time, but control of all the companies then engaged either in undersea or wireless communication was vested in the Commonwealth Communications Advisory Committee, which was given power over the general policy, services and rates of all these companies. This very materially affected the Canadian Marconi Company as well as the cable shore establishments in Canada.

According to the arrangement made in 1928, any earnings in excess of £1,865,000 were to be divided in this way: 50 per cent to be distributed among the companies and 50 per cent to be applied to the reduction of rates.

But unfortunately the optimism that attended the making of that arrangement was short lived. The world-wide expansion of wireless communication in the '20s drastically reduced the cable companies' profits, and in the '30s came the depression. So in 1937 there was another conference, at which it was agreed that the companies would not retain earnings in excess of 4 per cent on their capitalization. But these companies, which had not earned 6 per cent in any year since 1929, were after 1937 unable to earn even 4 per cent.

In 1937 all the companies applied to the Commonwealth Communications Advisory Committee for permission to increase their rates. The application was refused and instead a reduction in rates was ordered, the idea perhaps having been that this would bring about an increase in volume of business and in net profits. The maximum rate of 58 cents from Canada to South Africa and of 51 cents from Canada to India was reduced to 30 cents. But once again there was overoptimism. War broke out before there had been a single year's operations to test the effect of the reduced rates on the net profits. Of course, during the war years the companies made big money and paid large sums in excess profits taxes.

An agreement entered into at the 1937 conference contained a clause that all parties should resist the opening of new circuits, but war conditions made it impossible to enforce this clause. New circuits were opened, particularly between the United States and various parts of the Commonwealth—Australia, New Zealand, South Africa, India and Southern Rhodesia—and these diverted much traffic from the Commonwealth system.

Another conference was held at London in 1945, when all the countries of the commonwealth entered into an agreement committing themselves to take over the wireless transmission systems and the undersea cable systems operating between the countries. The Commonwealth Telegraphs Agreement, as it was called, was signed on May 11, 1948, and that is the agreement which this bill proposes to implement. The agreement, which is too lengthy to discuss in detail, contained three important provisions. First, each partner government is committed to acquire the external telecommunication assets operating within its territory, with the exception of cableheads. I may say that cableheads are merely the huts at the shore end of a cable, and are unimportant. That provision means that we would take over the system in Canada

up to the cableheads, and the cable would remain vested in the United Kingdom, under the control of the Post Office of that country.

The agreement further provided that the parties bind themselves to nominate an existing department of the government, or to establish a public corporation to be known as the "national body" for the purpose of acquiring, operating and maintaining such assets.

The agreement further provided that the partner governments should appoint a representative to a commonwealth telecommunication board, to be established. This board has now been established, and the government has announced that the Canadian representative will be T. H. Tudhope, General Manager of Operations for the Trans-Canada Air Lines. The United Kingdom, Australia, New Zealand, India, South Africa and Southern Rhodesia have already established their national bodies in much the same manner as Canada proposes to do by this bill. The United Kingdom national body will own, operate and maintain all assets not situated in the territories of any of the partner governments and also the cableheads within those territories.

I now come to the bill itself, which I note is divided into seven parts. The first part deals with interpretations. The second part, which is headed "corporation established", should, I think, be called "constitution of the corporation". It has to do with the Canadian national body, to which I have referred. The third part comes under the heading of "powers and purposes" of the new corporation. The remaining parts of the bill deal with staff, acquisition of property and financing and there are some general provisions.

There is to be a board of five persons in the Canadian national body, one only of whom is to be paid. He shall act as President and General Manager of the Canadian organization. Appointments are to be made by order in council. It is intended that the directors shall be appointed regionally, one perhaps coming from Montreal, another from Toronto—we will skip Winnipeg—and the Maritimes and British Columbia will have representation. The head office of the corporation will be in Ottawa.

It is interesting to note that the board, when constituted, will have some influence over policy and management; but it must comply with the directions of the Governor in Council or the Minister, and its by-laws must be approved by order in council. In that way the government of Canada will have complete control over the operations of this board.

The staff of the corporation will not come under the control of the Civil Service Commission. There are reasons for this. None of the other Crown companies are manned by civil servants, and with the exception of a few individuals who leave the service of Canada to serve for a time in a Crown company, none of them come under the provisions of the Civil Service Superannuation Act. I am not entirely in agreement with this arrangement, but I observe with some satisfaction that the bill makes provision for the setting up of a system of superannuation for the employees of the Canadian national body.

The question of financing is of course of interest to honourable senators. It has been estimated by Mr. Connelly, the Manager of the Canadian end of the system, that the corporation will require $4,500,000 for the purchase of the assets to be taken over and for working capital. The profits of the corporation, if any—and I hope there will be some—will go to the government; but what perhaps is more important is the provision that the government will be responsible for deficits. I observe that the Canadian Marconi Company has lost money in recent years. It may be that under the new general management the results will be different. In addition to the $4,500,000 to be voted by this bill, the corporation may borrow up to $100,000 from the government.

The bill contains certain general provisions of which I think honourable senators will approve. The corporation is authorized to pay municipal taxes in the amount that would have been paid had the property acquired by the corporation not become vested in the Crown. The amount of the taxes will be arrived at by agreement, rather than by assessment of the property.

Provision is made for an accounting system and for an annual report.

The price which Canada will pay to Cable and Wireless Limited and to the Canadian Marconi Company has not yet been fixed. It is hoped that this can be done by agreement. The fact that the operations of the Canadian Marconi Company have not been profitable in the past will no doubt not be overlooked by those who negotiate the agreement on Canada's behalf. Should it be impossible to reach an agreement between the parties, the bill makes provision for reference to the Exchequer Court of Canada to fix the amount payable by the public to the companies.

Hon. Mr. Hayden: The proceeding, in that event, would be by way of expropriation.

Hon. Mr. Roebuck: The Expropriation Act is in part incorporated in this bill. The major portion of the powers to be conferred on the corporation are contained in the bill and, generally speaking, they are very wide. The corporation may take over any property it wishes, and later settle by agreement or by reference to the Exchequer Court of Canada.

With regard to operations, the Canadian company, in accordance with the general arrangement with all the Commonwealth nations, will retain the receipts from business originating in Canada, subject of course to the payment of carrying charges to carrier companies not within the Commonwealth system. We shall pay nothing for the transmission of a message from, say, Canada to England, but Britain will collect the local rates which are paid on messages from the United Kingdom to Canada; similarly, Canada collects the local rates on messages from this country to Britain. There is, of course, a general system which will be used by all the partner governments. The over-all costs of that system are paid in the proportion which the net receipts of Canada bear to the net receipts of the entire system. That is, we shall pay that proportion of the general overhead expenses of the entire system.

I have given a short but, I think, a rather comprehensive explanation of the bill. As I have said, it is a very important measure. I suggest that it be referred to a committee, and this I do for several reasons. One is that I think the phraseology of the bill itself requires some intensive study. Secondly, honourable senators will have an opportunity to hear the men who have been managing our systems from a governmental standpoint for many years, and who know most about this matter.

If I did not suppose that the house would refer this bill to a committee, I would have something to say about the property which is to be taken over, and the various costs referable to it. But this can be done more appropriately in committee than in this house, and by somebody who knows much more about it than I do. So, unless anybody has a question in that regard, I shall say nothing more about it. I trust, however, in view of the importance of the measure, the fact that it has been passed by practically all the nations of the Commonwealth, and that Canada by an agreement of our government and the general body and the various other members of the Commonwealth is already committed to it, there will be no hesitation on the part of this house to give it second reading—which I now move.

Hon. Mr. Buchanan: I did not hear all of the honourable senator's explanation. Was there anything in it with regard to the control of rates? Is there any body to control rates?

Hon. Mr. Roebuck: Yes, there is. Perhaps in my explanation I failed in that regard. To begin with, there is the general body, which I have described, the directors of the Canadian National body, as it is called; that is, the corporation. Then there is a board which succeeds the old advisory board, and which will control the rates; because rates are more than merely local, they are an element of the general system. To that board each of the partner governments is to nominate one representative. Canada, therefore, will nominate one. The United Kingdom, in addition to its own representative, has the right to nominate another person to represent the colonies that are affected, and which are distinguished from the dominions. Each dominion, such as South Africa, Australia, New Zealand and India, nominates its own member; but Ceylon and several other countries, whose names I cannot reel off quickly, will be represented by this one director who will be nominated by the United Kingdom. We have, through our representative, the same or almost the same powers with respect to the control of rates as any of the other commonwealth governments possess. The board will be supreme in the matter of rates.

Hon. Mr. Reid: When this bill becomes law, will the effect as far as Canada is concerned be the same as in Great Britain, where telecommunications have already been nationalized? In this bill we use a more polite word, but will not the effect in this country be exactly the same as in Great Britain?

Hon. Mr. Roebuck: Substantially, yes; in detail, no. Great Britain has nationalized the local system, but it also possesses the underwater cables. Of course there is no ownership of the air over the sea. There is another distinction: our system, although the property is vested in His Majesty, will be owned and controlled by a Crown company, and managed by a board of directors, although that board must obey the orders of the minister and of the Governor in Council. In the United Kingdom control is vested in the Post Office. Other than these distinctions, which I do not think are substantial, we in Canada will be in exactly the same position as they are in the United Kingdom, or as they will be in South Africa, New Zealand, Australia, and various other parts of the commonwealth.

Hon. Mr. Lambert: Will the capitalization, which I understood was something over

$4 million, represent the approximate cost of the properties which the corporation will embrace in its system?

Hon. Mr. Roebuck: I sincerely hope not. I do not expect that we shall be paying four and a half million dollars for these properties, and my hope is shared, I believe, by the officers who will carry out the transaction. The estimate itself provides for two and a half million dollars to the Marconi Company for all its works and lands and so on, and a much smaller amount to the Cable Company. Half a million dollars of the four and a half millions is for working capital. It may be that we shall be disappointed in our negotiations, or in the price fixed by the Exchequer Court if the matter is referred to that court. We may pay more than four million dollars, but I shall be disappointed if that is the outcome. I do not believe the assets are worth any more than four millions, and it is the consensus of opinion in the department that they are worth a great deal less.

Hon. Mr. Lambert: Am I correct in thinking that the Marconi Wireless and Cable System is separate from the manufacturing activities of the corporation which are carried on in Montreal, and which, as everybody knows, include the making of radios and other electrical goods? They are separate companies, are they not?

Hon. Mr. Roebuck: Yes, entirely so. All we are taking over from the Marconi Company is their telecommunication system outside of the Dominion of Canada. There is a possibility that we shall also take over their wireless system from St. John to Montreal, but that has not yet been determined. Money is being appropriated to make this possible if the purchase can be made at an attractive price; but the Marconi Company is not going out of business.

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

REFERRED TO COMMITTEE

Hon. Mr. Roebuck moved that the bill be referred to the Standing Committee on Transport and Communications.

The motion was agreed to.

PACIFIC GREAT EASTERN RAILWAY AID BILL

SECOND READING

On the Order:

Second Reading of Bill 146, an Act to authorize the granting of a subsidy to the government of the province of British Columbia in aid of the construction of an extension to the Pacific Great Eastern Railway.

Hon. Mr. Robertson: I have asked the honourable senator from Cariboo (Hon. Mr. Turgeon) to handle this bill.

Hon. J. G. Turgeon: Honourable senators, as a Canadian from British Columbia it gives me a great deal of pleasure to deal with this proposed legislation, which authorizes the granting of a subsidy to the government of British Columbia in aid of the construction of an extension to the Pacific Great Eastern Railway. This legislation was passed in the other place, and while many speeches were made, there was no opposition whatsoever to the granting of the money. It was pointed out by the Minister that in 1913 a precedent was established when the Canadian government made a grant of $6,400 a mile to the Temiskaming and Northern Ontario Railway, which is now known as the Ontario Northland Railway.

The history of the Pacific Great Eastern Railway is misunderstood to a large extent, and right here may I make one comment. This railway runs through what is known as the Cariboo country. Its present terminus is Quesnel, situated only a few miles from Barkerville, the mecca of the famous Cariboo gold rush of 1858. If honourable senators will let their minds go back just a few years, they will recall that the Cariboo gold rush commenced when the mainland of British Columbia was nothing but a Hudson Bay reserve, roamed by caribou and inhabited by a few white traders. The immediate effect of the Cariboo gold rush was to cause the mainland of British Columbia to become a Crown colony. The rapid influx of so many people resulted in the commencement of final negotiations to bring about the construction of the Canadian Pacific Railway from the Atlantic to the Pacific. That is why I say it is fitting today, especially for one who for years represented the Cariboo country in another place, that the federal government should be granting financial assistance for the extension of the railway from Quesnel to Prince George.

Many of those who joined in the Cariboo gold rush came from the south at the conclusion of the California gold rush, but many others came across Canada. Those who came across Canada either went down the Thompson river to Kamloops, then across and back up to Barkerville, or went right across to Fort George, or what is now known as Prince George. From there they went to Quesnel and back eastward to the Barkerville country. That country which did so much to bring about the construction of the trans-continental Canadian Pacific Railway at that time, is today receiving assistance from the federal government for a long-needed construction.

As I have said, the history of the Pacific Great Eastern Railway is greatly misunderstood. The building of that railway has been called a waste of money, but it has done an immense amount of good for this country. Close to Barkerville, which was the centre of the Cariboo gold rush, is located the town of Wells, where for many years two great gold-producing mines have been in operation, and not too far away are the great gold-producing mines of the Bridge River District. The Pacific Great Eastern Railway has therefore been a tremendous help to the production of gold in that area.

A large portion of the district of Cariboo is cattle country, and without the railway it would have been extremely difficult to have continued there the production of cattle. For many years the cattle producers and ranchers of the Cariboo country have actually been losing money, because the Pacific Great Eastern Railway which carried their cattle to market had to discharge them at Squamish before reaching the market at Vancouver. I think my honourable friend from Blaine Lake (Hon. Mr. Horner) will agree with me when I say that cattle lose in value when they have to make a long voyage by boat instead of being transported by train.

There were three reasons for the commencement of the construction of the Pacific Great Eastern Railway. The first was that it would provide an independent or direct route for the Grand Trunk Pacific Railway to the city of Vancouver. And just here may I say a word about this first basic reason for the proposed construction of this railway in 1912? Messrs. Foley, Welch and Stewart, the company which brought about the commencement of construction of the railway, had entered into an agreement with the Grand Trunk Pacific Railway, under which the latter undertook that all the freight and express it was carrying, destined for Vancouver, would be discharged at Fort George and would be given transmission over the proposed Pacific Great Eastern Railway from Fort George to Vancouver.

The second reason was, naturally, to open up the central portion of British Columbia. And, as I have pointed out, the Pacific Great Eastern Railway has helped marvellously in doing that.

The third reason was to provide an outlet for the Peace River country through Vancouver.

I wish now to place on the record a brief statement of the two routes established by legislation for the Pacific Great Eastern Railway. The original one, set out in 1912, was:

A line of railway from the city of Vancouver to the city of North Vancouver, and thence running north along the margin of Howe Sound; thence following the general course of the Squamish River and continuing northeasterly to Lillooet, on the Fraser River; thence along the bank of the Fraser River north to a junction with the Grand Trunk Pacific Railway at or near Fort George, a distance of 450 miles more or less.

Then in 1914 the legislature of British Columbia, which offered certain assistance to the project, provided this route:

From a point of junction with the Grand Trunk Pacific Railway at or near Fort George to a point on the eastern boundary of this province within or near the Dominion Peace River Block, a distance of 330 miles, more or less.

That opens up several questions which, on account of the late hour, I shall deal with briefly. First I would point out that the distance from Quesnel to Prince George is 82·7 miles, and as the subsidy provided for by this bill is not more than $15,000 per mile the total cannot exceed $1,240,500.

Hon. Mr. Leger: May I ask the honourable gentleman a question? What proportion of the cost will $15,000 per mile pay?

Hon. Mr. Turgeon: The cost estimated by the government of British Columbia is $97,000 a mile, so $15,000 would be a little less than one-sixth.

Hon. Mr. Leger: It must cost a great deal to build railways out there.

Hon. Mr. Turgeon: There is no doubt that the cost is heavy. Of course, railway construction costs, like all other costs, have gone up greatly in recent years. The aid given to the Temiskaming and Northern Ontario Railroad in 1913 was, if I remember rightly, $6,400 a mile, which is a little less than one-half the aid proposed here. There has been a very great increase in construction costs since 1913.

I was talking about the three basic reasons for the construction of the railway. One of course disappeared because the railway was not built within the agreed time to Fort George.

Hon. Mr. Haig: Will my honourable friend give us an idea of the cost per year of the Pacific Great Eastern line?

Hon. Mr. Turgeon: I cannot give the exact figure, but unquestionably it has been very very heavy. The legislature of British Columbia has from time to time voted to the Pacific Great Eastern Railway loans that total approximately $23 million. Two statements have been made in another place as to the total cost of the railroad, but neither is official. One put the figure at $100 million and the other at $115 million.

Hon. Mr. Haig: The total cost to date?

Hon. Mr. Turgeon: To date. But when we are trying to determine whether that cost is

too high or not we must not forget that one reason why it is so high is that the railroad has never been built to its projected terminus. If the construction had been continued from Vancouver to Fort George to a point of junction with the Grand Trunk Pacific Railway, and if it had been possible to take advantage of the agreement entered into by the founders of the Pacific Great Eastern Railway, Messrs. Foley, Welch and Stewart, with the Grand Trunk Pacific Railway, there would have been an entirely different picture, because the railway income would have been proportionate to the cost of construction. But during the years since the railway has been operating its revenue, being purely local, has not been proportionate to the cost of construction. The road would never have been constructed if it had been known that it could receive only local revenues.

Hon. Mr. Haig: I have one more question, which is not by way of criticism at all. The voting of this money will enable the road to be operated from Fort George to where?

Hon. Mr. Turgeon: To Squamish.

Hon. Mr. Haig: How many miles is it from Squamish to Vancouver?

Hon. Mr. Turgeon: That would be about 70 miles.

Hon. Mr. Horner: About 40 miles.

Hon. Mr. King: It is about 70 miles.

Hon. Mr. Horner: I have made the trip by boat.

Hon. Mr. Turgeon: But the distance by boat is not the same as the distance overland.

Hon. Mr. Haig: Why do you anticipate that the railway will be any better off after the extension, if it still does not run to Vancouver?

Hon. Mr. Turgeon: There are several reasons. The railway will have an advantage that it never had before, a connection with the Grand Trunk Pacific Railway, which runs across the continent and through Edmonton and Fort George to Prince Rupert. By way of answer to the honourable gentleman's questions, I wish to refer to a statement which appeared in the press on the 5th of November. A newspaper clipping which I have here is headed: "Northern Empire Foreseen. Population of Eleven Million." The item is based upon an official report by some department of government at Washington. I am referring to this report simply because it has a bearing on the question of the increased revenue that will accrue to the Pacific Great Eastern after it reaches Fort George. This report is not from Ottawa, but from Washington. A newspaper article on it reads in part as follows:

> The report, which is in the hands of the President, comes out strongly for the elimination of American restrictions which, at present, prevent Canadian vessels from carrying cargoes from Canadian to Alaskan ports.
>
> "The inside passage through Canadian waters (to Alaska) is a symbol of the physical interdependence of the two great American nations in the Pacific northwest," the report says.

That points out one of the many benefits to be gained as a result of the railway going into Prince George. Also, Prince Rupert will become a greater port, because it can then handle cargoes going to the United States, an activity which is now prohibited. The linking up of the Pacific Great Eastern Railway with the Canadian National Railways, which now carries everything to and from Prince Rupert, will add greatly to the revenue of the Pacific Great Eastern.

The construction of eighty-two miles of railway from Quesnel to Prince George will not give railway service to Vancouver, which is very important; but the provincial government has undertaken to spend a large sum of money in building what I hope will be an extra good highway from Squamish to Vancouver. I have discussed this project with some of the cattle producers of the Cariboo country, and while they would much prefer a railway, they tell me that if they can ship their cattle over a properly surfaced highway they will not lose the money they have lost in the past in getting their cattle to the Vancouver market.

The passing of this legislation and the federal grant of slightly under a million and a quarter dollars for help in the construction of a railway from Quesnel to Prince George will be of great benefit to the majority of the people of British Columbia.

Honourable senators will note that the second route set out in 1914 for the Pacific Great Eastern Railway started at a point at or near Fort George—now Prince George—and proceeded to a town named Pouce Coupe, which is a short distance from the Alberta-British Columbia boundary in the Peace River country. I was a member of the Alberta legislature when, in 1913, it was decided to assist in the construction of what is now known as the Northern Alberta Railways. At that time the railway was known as the Edmonton, Dunvegan and British Columbia Railway. Today only twenty-four miles of the Northern Alberta Railways extend into British Columbia from the provincial boundary, to the town of Dawson Creek, south of the Peace River. Another branch of these railways runs north of the

Peace River and has its terminus at Hines Creek in the province of Alberta. All the people of Alberta are anxious that this branch be extended from Hines Creek into British Columbia, through St. John, and as far at least as Hudson Hope. They are most anxious to see that great Peace River country connected with the Pacific Ocean, by a short rail route towards Vancouver and Prince Rupert.

May I go back again and recall to the minds of honourable senators a thought which is significant today when we are discussing a vote of money by the dominion government to aid the government of British Columbia in the construction of this railway. I pointed out a few minutes ago the tremendous effect that the Cariboo gold rush had upon the speeding up of construction of the Canadian Pacific Railway through the mountains. Honourable senators know, particularly those who are from British Columbia, what is meant by the railway belt. It will be recalled that at the time of the building of the Canadian Pacific Railway British Columbia was a province—not a territory such as the Northwest Territories—and that it gave to the Dominion of Canada a lien upon a vast acreage of land which paralleled the proposed right-of-way of the Canadian Pacific Railway. This area was called the railway belt. It was turned over to the Dominion government to be used for land grant purposes, as required, for the purpose of aiding the construction of the railway. The land was given free of charge for that purpose.

When we talk today of the Peace River block of British Columbia, I wonder how many people throughout Canada understand to what we refer. The term "block" refers to only a portion of the Peace River district which is in British Columbia, and it does not relate to the Peace River area in Alberta. The Peace River block came into being when British Columbia found that a large part of the land within the railway belt was not being used for grants, and as the area was then served by rail transportation the land was required for other purposes. An agreement was entered into between the province and the Dominion Government, under which a great part of the free land within the railway belt was returned to British Columbia, and this huge Peace River block was given over to the administration of the Dominion Government for its use, in lieu of the lands which were returned to British Columbia from the railway belt.

It was not until 1928—which was a long time after the building of the Canadian Pacific Railway—that, as a result of the report of a Royal Commission headed by the Honourable Mr. Justice W. M. Martin of Saskatchewan, the Peace River block was given back to British Columbia, and its administration removed from the control of the Dominion Government. At the end of the First World War the federal government did an excellent job of inducing many war veterans to go to the Peace River country in British Columbia and take up land. There is no question that one of the inducements honestly held out to them to go to that country was that before too long a railway would be provided to the Pacific Coast. My honourable friend from Blaine Lake (Hon. Mr. Horner) kindly shakes his head affirmatively. He knows whereof I speak.

Hon. Mr. Nicol: How large is that block of land?

Hon. Mr. Turgeon: It extends from the boundary of Alberta westward to a point half way between Fort St. John and Finlay Forks, a distance of approximately sixty miles, and thence about the same distance north and south. I am not giving exact figures, but roughly they are correct.

Hon. Mr. Quinn: 360 square miles.

Hon. Mr. Turgeon: It includes some of the most productive land in Canada. Sir Henry Thornton, President of the Canadian National Railways, being desirous of bringing a greater settlement into that Peace River country of British Columbia which was under dominion administration—stated that when 10,000,000 bushels of wheat were produced in that Peace River block railway connection with Vancouver would be provided. Today over 20,000,000 bushels of wheat are produced annually in that area, but we are still without a railway connection with either Vancouver or Prince Rupert.

There has been a great demand for these railway facilities, and I should like to cite, without taking time to place it fully on the record, a recommendation made in 1944 by the Parliamentary Committee on Reconstruction, of which I was chairman. That committee, consisting of thirty-five members, recommended that the provinces of Alberta and British Columbia should have railway connection through the Peace River country, and that the road be extended as far as the Pacific Ocean. About the same time the British Columbia Government set up a committee on reconstruction. The chairman, the Honourable H. G. Perry, was one of the greatest pioneers of that great north-central country which surrounds Prince George. Mr. Perry then and for many years was the provincial member for that district, which included Prince George, a large area south

of the city, and all the Peace River country. Later he was Speaker of the Assembly, then Minister of Education, and now he is a newspaper publisher. The provincial committee of which he was chairman made two recommendations: That there be a railroad in British Columbia from the Peace River to Vancouver, and that the Dominion Government negotiate with the Government of the United States concerning the construction of a railway through Prince George down the Rocky Mountain trench, across the Yukon, and into Alaska. There has been some fruition of that latter recommendation, because, as we know, negotiations may take place between the two governments at any time.

Hon. Mr. Haig: Just one question before you finish. The bill provides for a grant of one and a half million dollars, but the cost to some other party is six and a half million dollars. Is that party the Province of British Columbia?

Hon. Mr. Turgeon: Only British Columbia pays the balance—nobody else. British Columbia has definitely decided to proceed with the construction of this railway to Prince George. Subject, of course, to some choice of routes, it has also been practically determined to build the railway into the Peace River country. It is fitting that at this time, a month or so before another federal-provincial conference, the Dominion Government should show its willingness to grant a sum of money, not to a company but to a provincial government, to aid in the construction of this railway from Quesnel to Prince George—a railway which will be of great benefit to the people of British Columbia. This grant will reduce by at least a million and a quarter dollars the expenditure which the Government of British Columbia will be forced to provide for these desperately-needed facilities.

Hon. Mr. Burchill: How much private capital has been lost in this venture?

Hon. Mr. Turgeon: Oh, millions; many millions of dollars; I could not give the precise figure. If in 1913, when the Government of Alberta commenced to construct the Edmonton, Dunvegan and British Columbia Railway, and the people of Vancouver and elsewhere were beginning to finance the Pacific Great Eastern Railway, those railways had been joined, and if the participants had sat in with officials of the Grand Trunk Pacific, now the Canadian National, and possibly also with Canadian Pacific Railway officials—because, as all honourable senators know, the northern Alberta railways are operated by the two great railway companies in combination—not only would British Columbia and Alberta be today in a much better position, but these heavy losses would not have been suffered. The losses came about simply through frustration of effort, the impossibility of bringing about what was intended, namely, a railway which would connect Vancouver with Prince Rupert and the Peace River and take care of the great revenue-producing country in between.

Hon. Mr. Haig: What is the intention of the American committee which is considering a railway to Fairbanks, Alaska? Do they intend that it shall go through the district which will be affected by this bonus?

Hon. Mr. Turgeon: Yes, as far as Prince George. But every dollar of the money provided for in this bill—roughly a million and a quarter dollars—is to be expended only on a railway from Quesnel to Prince George. The railway proposed by Washington for joint use by the two governments and projected into Alaska would be operated largely for defence purposes. It will be remembered that during the recent war, I believe in 1943, the United States Government began a military survey from Prince George northward, to enable them to decide on the advisability or otherwise of building a railroad through to Fairbanks, which would pass through Prince George and down to Finlay Forks.

May I digress here, and take a minute of your time, to express my thankful appreciation to the honourable the ex-Speaker (Hon. Mr. King.) because of the fact that as long ago as 1927, long before I thought of going back into politics, he enabled me to accompany him on a marvellous trip from Summit Lake, thirty-five miles north of Prince George, down Crooked River and Parsnip River to Finlay Forks—to which the Finlay River comes from the north—and then all through that part of British Columbia which is traversed by the great Peace River. Years before, it happened that I was down the other reaches of the Peace in far northern Alberta. I wish again to express thanks to the honourable senator because he helped to open my eyes to what that northern country is capable of producing if proper transportation facilities are provided.

I understand it is the desire of the leader of the government that this bill go to the Committee on Transport and Communications, and when this discussion is over I shall move that the bill be referred to that committee.

I want it to be clearly understood that anything I have said concerning the advisability of a railway from Prince George into the Peace River country has nothing directly to do with the policy of the government in connection with this bill. The railway extension

affected by this bill definitely ends at Prince George. The federal government would give a subsidy of $15,000 per mile for the eighty-two miles from Quesnel to Prince George, and everything over and above that would be the responsibility of the Government of British Columbia and the people of that province.

I feel that a few years after this railway extension is completed, Prince George will become one of the greatest secondary cities in western Canada. It possesses almost everything that is required, provided that the productive capacity of the country surrounding it can be brought within its reach. Approximately twenty-five or thirty miles from the proposed line between Quesnel and Prince George, is the great Bowron coal belt which is situated along the Bowron river. I understand that businessmen are just about ready to construct a pulp mill at Prince George, and perhaps at Quesnel, provided they can secure power from the coal at a low cost. I have said nothing of the hundreds of miles of practically semi-anthracite coal that is awaiting development in the Peace River district; but that will come up again. The Prince George-Quesnel area is full of timber for pulp and the manufacture of newsprint, and everything else for which timber is meant to be used. This is a great mining country. During the last war, when we were short of mercury, the allies were able to secure all they required from a mine just outside of Fort St. James, approximately seventy or eighty miles from Prince George.

Honourable senators, I have great pleasure in moving the second reading of this bill.

Some Hon. Senators: Hear, hear.

Hon. Mr. Horner: I am still not satisfied with the figure of seventy miles, given as the distance to Squamish. My information comes from a man who lived there for some forty years. In his early days, travelling with the tide in a rowboat, he used to take his strawberries to Vancouver to be sold. He told me that the distance was forty miles. A highway along the bank is forty miles long, and surely where it is possible to build a modern highway it is also possible to build a modern railway.

I should like to say to my honourable friend from Cariboo (Hon. Mr. Turgeon) that I would much prefer to transport my cattle by scow than over a highway. As to cattle taking a long ocean voyage, I remember that in one of our committees, when discussing the question of shipping cattle overseas, and the loss of life resulting therefrom, the late Senator Burns told me that he had shipped a great number of cattle to England without them suffering any ill effects. He said the cattle would shrink when shipped by rail from western Canada to Montreal, but that with proper care and attention on the ocean voyage they would regain all the weight they had lost.

I do not want to detract from anything the honourable senator from Cariboo (Hon. Mr. Turgeon) has said, and actually I am in favour of the bill. The only difficulty I see is that it is the north country they want to get to.

Hon. Mr. Leger: I notice that this bill is cited as the Pacific Great Eastern Railway Aid Act, and that the grant is to be made to the government of the province of British Columbia. Does the province own the railway?

Hon. Mr. Turgeon: The province completely owns the railway.

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.

HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS

MOTION

On the Order:

Resuming the adjourned debate on the motion of the Honourable Senator Roebuck,—

That the government be requested to submit to the forthcoming Dominion-Provincial Conference on the constitution a draft amendment to the British North America Act.

Some Hon. Senators: Dispense!

Hon. Mr. Davies: Honourable senators, I had intended to speak to this motion today, but the hour is late and honourable senators wish to attend one of our committee meetings. The reason I wanted to speak this afternoon was that the honourable senator from Toronto-Trinity (Hon. (Mr. Roebuck) is anxious to close the debate on this motion tomorrow. Nevertheless, I now move the adjournment of the debate.

The motion of Hon. Mr. Davies was agreed to and the debate was adjourned.

PRAIRIE FARM ASSISTANCE BILL

FIRST READING

A message was received from the House of Commons with Bill 185, an Act to amend the Prairie Farm Assistance Act, 1939.

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.

BANKING AND COMMERCE COMMITTEE

On the motion to adjourn:

Hon. Mr. Robertson: I move the adjournment of the house and in doing so I would remind honourable senators who are members of the Standing Committee on Banking and Commerce that a meeting of that committee will be held immediately the Senate rises.

Hon. Mr. Haig: I know that it is not in order for me to speak on this motion; but is it the intention of the house to sit on Friday?

Hon. Mr. Robertson: In view of the volume of legislation coming to us, I should think so.

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, December 1, 1949

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

Prayers and routine proceedings.

JUDGES BILL

FIRST READING

A message was received from the House of Commons with Bill 65, 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. Robertson: With leave, tomorrow.

INDUSTRIAL DEVELOPMENT BANK BILL

FIRST READING

A message was received from the House of Commons with Bill 210, an Act to amend the Industrial Development Bank 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, tomorrow.

COMBINES INVESTIGATION BILL

REPORT OF COMMITTEE

Hon. Salter A. Hayden presented the report of the Standing Committee on Banking and Commerce on Bill 144, an Act to amend the Combines Investigation Act.

He said: Honourable senators, the committee have, in obedience to the order of reference of November 29, 1949, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

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

Hon. Mr. Robertson: With leave, I move that the bill be read the third time now.

Hon. Mr. Haig: On division.

Hon. Felix Quinn: Honourable senators, I have here a telegram which was handed to me by the honourable member for Cumberland in another place, and I think this would be an appropriate time to call attention to it. It is signed "Alphonzo Murray, Financial Secretary, Local 1231 U.S.A., Trenton, N.S." and reads as follows:

> Our union believes that Pictou county wholesalers have combined to exploit the public on the prices charged for flour. Pictou county flour wholesales at six dollars ten cents per 98-pound bag. Colchester county at five eighty, Halifax six dollars and Sydney five-ninety-five. Would appreciate your questioning this important matter.

My purpose in reading this is to call the attention of honourable members of the Senate to the necessity for an early investigation into the price-fixing methods of the millers of this country.

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

PACIFIC GREAT EASTERN RAILWAY AID BILL

REPORT OF COMMITTEE

Hon. L. M. Gouin presented the report of the Standing Committee on Transport and Communications on Bill 146, an Act to authorize the granting of a subsidy to the Government of the Province of British Columbia in aid of the construction of an extension to the Pacific Great Eastern Railway.

He said: Honourable senators, the committee have, in obedience to the order of reference of the 30th of November, 1949, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

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

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.

CANADIAN OVERSEAS TELECOMMUNICATION CORPORATION BILL

REPORT OF COMMITTEE

Hon. L. M. Gouin presented and moved concurrence in the report of the Standing Committee on Transport and Communications on Bill 12, an Act to establish the Canadian Overseas Telecommunication Corporation.

He said: Honourable senators, the committee have, in obedience to the order of reference of November 30, 1949, examined the said bill, and now beg leave to report the same with the following amendment, namely—

Some Hon. Senators: Dispense!

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

Hon. Mr. Robertson: Tomorrow.

TRANS-CANADA HIGHWAY BILL

REPORT OF COMMITTEE

Hon. Mr. Gouin presented the report of the Standing Committee on Transport and Communications, on Bill 194, an Act to encourage and to assist in the construction of a trans-Canada highway.

He said: Honourable senators, the committee have, in obedience to the order of reference of November 30, 1949, 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. Robertson: With leave of the Senate, now.

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

SUSPENSION OF RULES

MOTION

Hon. Mr. Robertson moved:

That for the balance of the present session Rules 23, 24 and 63 be suspended in so far as they relate to public bills.

He said: Honourable senators, for the benefit of those who have recently been appointed to this chamber, I may say that this motion is in accordance with the usual practice at this stage of the session. It confers no particular privilege upon me in my capacity of government leader, or, indeed, upon anyone else, but it enables a majority of the Senate to waive the rule which prescribes a certain lapse of time between the first and second readings of bills. Although it has been the invariable practice of the Senate to adopt this motion, I can remember no occasion when it was necessary to deny the request of any honourable senator for delay; and I am sure that, notwithstanding the passage of this motion, the house would give due consideration to the interests or requests of any of its members.

The motion was agreed to.

GOVERNMENT EMPLOYEES COMPENSATION BILL

SECOND READING

On the Order:

Second reading of Bill Z-6, an Act to amend The Government Employees Compensation Act, 1947.

Hon. Mr. Robertson: I have asked the honourable senator from Mount Stewart (Hon. Mr. McIntyre) to handle this bill.

Hon. J. P. McIntyre moved the second reading of the bill.

He said: Honourable senators, the purpose of this bill is to provide, in accordance with the Workmen's Compensation Act of Prince Edward Island which was enacted on March 23 last, for determination of compensation for injuries to federal government employees in that province.

As honourable senators know, previous to this year Prince Edward Island had no Workmen's Compensation Act. In all other provinces, when any employee of the federal government was unfortunate enough to suffer injury or contract some industrial or other disease which caused death or disability, compensation was paid by the federal government in accordance with the provisions of the law of the province in which the workman resided. As, however, previous to this year Prince Edward Island was without a workmen's compensation law, when a federal employee was injured or disabled or his death was caused by an industrial disease, the compensation payable was determinable not by any law of that province but in accordance with the provisions of the Workmen's Compensation Act of New Brunswick, as provided for by section 4 of the Government Employees Compensation Act, passed by this parliament in 1947. This Act provides that if personal injury or industrial disease is suffered by an employee of His Majesty in the course of his employment, compensation shall be paid to him on the basis of the Workmen's Compensation Act of the province in which the injury or disease is suffered. Thus, if a federal employee were injured in Ottawa, he would be paid the amount specified for such injury by the Workmen's Compensation Act of the province of Ontario. These payments are to be made by the Minister of Finance.

This plan has been in operation in every province except Prince Edward Island; but now that Prince Edward Island has its own Workmen's Compensation Act, as passed at the last session of the legislature, the provisions of section 4 of the federal Act are unnecessary, and the repeal of that section is quite in order. Therefore, all that this bill proposes to do is to repeal section 4, and to allow the Prince Edward Island Workmen's Compensation Act to apply as the basis of payment to an employee of His Majesty injured in Prince Edward Island, in the same way that the compensation Acts of the other provinces of Canada apply within those provinces.

I think this is good legislation, because if any employee of His Majesty is unfortunate enough to suffer injury or contract an industrial disease in the course of his employment in Prince Edward Island, it will no longer be necessary to refer to the Workmen's Compensation Act of New Brunswick in order to pay him compensation.

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

THIRD READING

The Hon. the Speaker: When shall this bill be read the third time?

Hon. Mr. Robertson: Honourable senators, I have no objection to having the bill referred to one of our standing committees; but as it originated in this house and is relatively simple, I should like it to receive third reading as soon as possible. Therefore, I move third reading now.

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

FISH INSPECTION BILL

SECOND READING

On the Order:

Second reading of Bill 63, an Act respecting the Inspection of Fish and Marine Plants.

Hon. Mr. Robertson: I have asked the honourable senator from Vancouver (Hon. Mr. McKeen) to handle this bill.

Hon. S. S. McKeen moved the second reading of the bill.

He said: Honourable senators, before going into the detail of the bill itself, I should like to say a few words about the industry and what it means to this country.

As far as cabinet posts are concerned, that of Minister of Fisheries has been used as a football for quite a few years. It has very often been the first post of a new Minister, who has stayed in the department for a matter of a few months or a year and then has moved on to another post. The result has been that real headway in the department has been greatly retarded. We have had excellent men in the department, and had they stayed longer I am sure our Canadian fishing industry would have attained a much higher level.

When the Right Honourable Ernest Lapointe was Minister of Marine and Fisheries he made history by signing, on behalf of Canada, the Halibut Treaty between Canada and the United States. This was the first treaty that Canada negotiated in her own name, all treaties prior to that time having been made in the name of the United Kingdom on behalf of Canada. As a consequence of that treaty the halibut fishing industry on the Pacific Coast has been preserved, for every year a set amount of fish is taken and sold, and there is no trouble about the depletion of this particular fishery. This shows the wisdom of the action taken at that time.

The next fishing treaty to be signed was the Sockeye Salmon Treaty, negotiated in 1930. As is well known to the honourable senator from New Westminster (Hon. Mr. Reid) a past chairman and at present a member of the International Pacific Salmon Fisheries Commission, the purpose of the treaty was to rehabilitate the sockeye salmon run in the Fraser river. An excellent job has been done in this regard and the results are apparent already in the increase of the Fraser river catch.

Most recent figures indicate that Canada, including Newfoundland, stands eighth among the countries of the world in fish production, and first in terms of value of exports of fishery products. Norway exports a greater tonnage of fish than Canada, but the Canadian products, particularly salmon, halibut and lobster, have a higher value.

Honourable members may be interested in a few figures showing the value of Canada's fish exports in the last few years. They are as follows:

1920-29	$33,199,241
1930-39	25,535,543
1943	60,313,127
1945	84,800,563
1948	89,843,000

I may say that the exports of fishery products from Newfoundland in 1948 were worth $34,128,839, and these were not included in the Canadian figures for that year. Incidentally, this $34 million represents approximately 36 per cent of Newfoundland's total exports. The total 1949 exports of fish products, including Newfoundland, should exceed $110 million.

The distribution of exports of Canadian fishery products in 1948, by main destinations, was as follows:

	Million Dollars
U.S.A.	60·3
United Kingdom	1·9
British Colonies	4·0
South Africa	3·5
Other Sterling	0·1
Other European	10·6
Latin America	6·1
All Others	3·3
Total	89·8

The British colonies referred to in the table are mostly the British West Indies, for I might say that we are practically shut out of the markets of Australia and New Zealand.

The Latin American countries would include the British West Indies Islands that are not in the sterling bloc.

In 1948 Canada's total exports of all products amounted to $3,075 million, of which fishery products accounted for about $90 million, or slightly less than 3 per cent of the total.

The following table gives the per capita consumption of fish in a number of countries:

		lbs.
Canada	(1948)	12·2
U.S.	(1947)	10·8
Norway	(post-war)	46·6
U.K.	(post-war)	35·0
Belgium	(post-war)	22·4

From these figures it can be seen that our consumption of fish in Canada is very low. If it were possible to increase the consumption of fish on the North American continent by one pound per capita, our fishing industry would not have to bother with any export market other than the United States, for the demand would exceed the present supply. So I think the fisheries industry, if pushed ahead and helped by a real program of expansion, would show more promise of growth than almost any other industry in Canada.

As I have said, in the past some ministers have remained in the department for only a short time and consequently have not been able to give leadership to any endeavour of this kind. A few years ago we had as minister a bright young man from New Brunswick, the Honourable Mr. Bridges, who laid the groundwork for a re-organization and the starting of an aggressive program, but unfortunately he died not long after he took over the office and before he had time to do much.

The present minister, the Honourable Mr. Mayhew, has taken a really keen interest in the department. He is a successful businessman who went West in his early days, as some Easterners did—for not all of them stayed in the East. I believe Mr. Mayhew was born within a few miles of this chamber. He lived for a while on the prairies, where he was very successful, but I presume he could not resist the attractions of British Columbia's beautiful climate, and he moved on to that province and became even more successful in business. When he entered the government he sold out his business interests, and is devoting himelf to the job of running his department. I am sure he could have had some other portfolio if he had wanted it, but he feels that he owes a duty to his present department and to the fisheries industry, because of the co-operation they have given him, and he now has under way a splendid program for the industry. This bill is one of the results of that program.

The minister has induced the fisheries industry in British Columbia to spend about $300,000 on advertising its products, in an effort to increase Canadian demand and get away from the low average consumption of twelve pounds per capita. I think that low average consumption is due principally to the condition of the fish as it reaches the markets in those parts of the country which are at considerable distance from either of our coasts. In Halifax and Vancouver, for example, the per capita consumption averages somewhere between thirty and thirty-five pounds, which is comparable to that of the United Kingdom; but in the central parts of Canada the consumption goes down very considerably.

Hon. Mr. MacLennan: The brains there go down too.

Hon. Mr. McKeen: We will not argue about that. Some people say that we who live on the coast eat more fish because we need it to build up our brains.

In case it should be thought that the lower consumption in Central Canada is a result of higher prices that have to be charged because of shipping costs, I would point out that the freight charge from the East coast to Montreal is only about half a cent a pound, and to Toronto not much more. To Winnipeg it is possibly a little higher; but in the prairie provinces they have a good supply of fresh water fish. In fact, Canada has probably the biggest inland fisheries of any country in the world. These combined with our great salt water fisheries on the Atlantic and Pacific Coasts ensure a tremendous volume of production, and we have the whole North American market right on our doorstep.

In order to see whether the price of fish had anything to do with per capita consumption I have made a check at various places. I find that fish selling in Halifax at 34 cents a pound sells at Montreal for 35 cents, and at Toronto for 38 cents. This confirms my opinion that the lower consumption in Central Canada is brought about by the condition of the fish as placed on the market. A program has now been started to make sure that fish for this market is properly treated at the places where it is caught, then frozen by the best modern equipment and shipped inland under the protection of up-to-date facilities, so that it will reach the retailer and the ultimate consumer in first-class condition.

Another step is being taken. Honourable members may be interested to know that the

department will shortly be opening a kitchen at Ottawa, over in the West Block. In fact it is almost ready for opening now. Instruction will be given there in the best methods of preparing fish for the table, and it is hoped that thereby the demand for fish in Canada as a whole will be greatly increased.

Hon. Mr. Euler: How will pupils be obtained from all over Canada?

Hon. Mr. Nicol: By advertising.

Hon. Mr. McKeen: Kitchens will be opened in various parts of the country, in the Maritimes, in Central Canada, on the Prairies and on the West Coast. As a matter of fact, fishing companies in British Columbia are now working on plans for a kitchen in Vancouver, in order to demonstrate various ways by which fish may be more tastefully prepared for city tables.

The purpose of this bill is to tighten up regulations for the inspection and grading of fish. If it is thought that some features of the bill are too drastic, it will be found that similar provisions are contained in agricultural Acts, the Meat and Canned Foods Act and other laws governing the inspection of foods. After this bill is passed the department will be able to put into force regulations ensuring that Canadian fish, wherever sold—on the markets of this country or abroad—will be in good condition.

If honourable senators would like detailed explanations of any sections of the bill I shall be glad to give whatever information I can in committee.

Hon. Mr. Haig: Can the honourable gentleman give us the fish production of each province?

Hon. Mr. McKeen: I have not got that information, but I will have it for my honourable friend in committee.

Hon. Mr. Aseltine: I would like to know what Saskatchewan's production is. We ship to New York and Eastern Canada many carloads of white fish and pickerel.

Hon. Mr. McKeen: I believe that the annual shipments from the Prairies to the United States have a value of $2 million. I am speaking from memory.

Hon. Mr. McLean: I would like to ask the honourable gentleman from Vancouver (Hon. Mr. McKeen) whether this bill covers canned fish as well as other kinds. I do not see canned fish mentioned in the bill.

Hon. Mr. McKeen: The bill provides for inspection of fish up to the time that it is put into cans. Inspection after that is provided for under the Meat and Canned Foods Act.

Hon. Antoine J. Leger: Honourable senators, I wish to make a few observations on this bill.

Chapter 72 of the Revised Statutes, which this bill proposes to repeal, provides in section 6 that an inspector of fish shall, before assuming his duties, take an oath that he will not directly or indirectly engage in or in any way carry on the business of trading or dealing in fish or fish containers. I do not know whether it is an oversight on the part of the draftsman, but this section is not re-incorporated in the bill. It is proposed to appoint inspectors according to law, which I take to mean according to the Civil Service Act. Now that Act provides for an oath of allegiance, an oath of secrecy and such other oaths as may be required by statute. This bill, when passed, would repeal chapter 72 of the Revised Statutes of Canada, leaving no oath to be taken by an inspector, except the two specifically provided for by the Civil Service Act.

Instead of repealing the whole Act, the bill should repeal the Act except for section 6. Otherwise, I think that section 6 should be reinstated. It seems to me that if inspectors are to be given power to arrest without a warrant and to seize fish on mere suspicion and detain it for two months, they should take the oath that they will not either directly or indirectly engage in the business of trading in fish. The inspectors to be appointed may not all be like Caesar's wife, above reproach. I think that it would be safer to make provision for the taking of the oath, as provided for in the original Act.

Hon. Mr. McKeen: Honourable senators, I cannot say whether that particular provision was left out of the bill deliberately or not. I may say, however, that fish inspectors have never exercised the right to make arrests. The Act has contained that provision since 1914, but it has only been necessary to threaten arrest to get the desired co-operation from suspected offenders. It happened in one case fish were being transported by truck. The inspector considered the product unfit for human consumption and the trucker refused to give his name and was about the remove the fish from the jurisdiction of the officer. The inspector then threatened to remove the truck to the police station and have the operator detained there, but upon threat of arrest the trucker readily gave his name and residence to the inspector. As to fishery plants, it has never become necessary for an inspector to even threaten arrest in order to carry out his duties. I do not think there is any real danger to be feared

from that provision, because if an inspector were to hold fish for two months they certainly would not be fit for sale.

Hon. Mr. Lambert: May I ask whether the bill applies to lobsters and oysters, as well as to other fish?

Hon. Mr. McKeen: It covers all fish, including shellfish. The bill has reference also to sea moss and other marine plants.

Hon. Arthur W. Roebuck: Honourable senators, it seems to me that the fundamental function of the Senate is to protect the minority, even though that minority may consist of only one person. Looking after the rights of the individual is our special province, and we should give it every consideration. I frequently see legislation going through parliament which offends my sense of responsibility towards the rights of the individual.

This bill contains a most drastic provision.

Hon. Mr. Haig: What page?

Hon. Mr. Roebuck: Will my friend look at page 3? As I understand it, an inspector under this measure cannot be compared to an inspector of police, who is a superior officer in a law enforcement body. In this instance an inspector is a person who looks at, smells and otherwise inspects fish to see whether or not it is fit for human consumption and is packed in accordance with regulations. I would think that would be work for a retired fisherman or someone familiar with the industry, rather than for a man who is a superior officer in an organization for the enforcement of the law.

Section 4 (1) (b) provides:

> An inspector may at any time
> (b) require to be produced for inspection or for the purpose of obtaining copies thereof or extracts therefrom any books, shipping bills, bills of lading, or other documents or papers.

I can understand an inspector of fish wanting to see a bill of lading or other related documents; but why should he require an examination of the books of a shipper? That provision does not strike me as being in line with the activities one would expect from a fish inspector. I can see no reason why, if I were in the fish business, an inspector should have a right to know what I have invested in my business, what profits I make, or who I buy from or to whom I sell my products. Those are things which are private to me, and it is not necessary that they be known in order to appraise the quality of my fish. I know that those who advocate the bill say that it is not the intention to do what I have indicated. But I would point out that the bill gives authority to a mere inspector to demand of me, as a shipper or packer in this industry, the right to inspect my books and carry away what information he wishes; and there is no provision that he must keep it secret.

The bill provides for powers with respect to arrest that I think are both extreme and extravagant. I do not see why an inspector of fish should be authorized to put a man under arrest. True, he can only keep him under arrest for twenty-four hours before bringing him before a magistrate; but why should the inspector be allowed to arrest people on sight?

I am not in the fish industry and I know little about it, though I eat the product sometimes, but I question the right of an inspector to seize fish because of an infraction of the Act or its regulations. Would it not be sufficient for him to seize fish only when they are unfit for human consumption? But let there be any infraction of the provisions of the bill or the regulations made thereunder, and the fish are, *ipso facto*, seized, for power is given to the inspector to make the seizure. I am inclined to think that officials who accept responsibility under these circumstances sometimes get a little over-zealous. They are very serious about the performance of their duties, and may go a little too far if the bill provides them with more power than is strictly necessary. The Senate is here for the very purpose of keeping that kind of thing in check.

I suppose the bill will be referred to a committee and taken up there, but I would like to put on record my objection to drastic legislation of this kind in the handling of an important industry, such as that of fishing.

Hon. Mr. McKeen: I would say that the intention of the department is to obtain books relating to the shipment of fish, not to the operation of the company. Paragraph (b) speaks of shipping bills, bills of lading, and that sort of thing. The powers of fisheries inspectors are in effect the same as those conferred on inspectors under the Meat and Canned Foods Act, the Animal Contagious Diseases Act, and certain agricultural acts. If in the opinion of honourable senators the section is not properly worded, it can be changed in committee. I may say that there has been no case of arrest by departmental action in this connection since 1914.

Hon. Mr. Roebuck: Then that power is not needed.

Hon. A. N. McLean: Honourable senators, I am in full sympathy with the Department of Fisheries in their endeavours to raise the standard of fish sold for consumption in Canada and abroad. We do not need to go

further than our parliamentary restaurant to realize that there is room for improvement. I am familiar with the canned fish industry, and what I say will be in connection with the processing of fish that are canned.

I have every confidence in the present fisheries administration. The minister and deputy minister are doing an excellent job. I agree with everything the honourable senator from Vancouver (Hon. Mr. McKeen) has said concerning the Honourable Mr. Mayhew. But administrations come and go, and this honourable body is charged, I think, with carefully scrutinizing any legislation that seems extraordinary. As far as this bill is concerned, I am all in favour of giving the department full power to deal promptly and efficiently with every law-breaker, and also to ensure that only the very best fish possible are placed on the market for human consumption at home and abroad. I know that discretion will be exercised by our present administrators in carrying out the provisions of this Act. But what of the future? This measure will become statute law, and the regulations under it could be greatly varied and made extremely stringent by some future administration, and every fishery officer would be free to act in accordance with the law as it stands.

By section 3 it is proposed to give power to the Governor in Council to make regulations

prescribing grades, quality and standards of fish; respecting the processing, storing, grading, packaging, marketing, transporting and inspection of fish; also respecting the quality and specifications for containers of fish and the marking and inspection of such containers.

As far as canned fish is concerned, there are only two grades: the top grade, for human consumption, and the grade that goes into fish-meal, fertilizer, and so forth.

It may be quite proper to have two or three grades of grain, apples or potatoes; but a fish is a fish. Man cannot improve on nature, and the job of the processor of fish is to preserve what nature gives us. To retain its freshness and tastiness, a fish has to be treated almost immediately after it comes out of the water, and the only canned fish that should be sold for human consumption is the very top grade,—by which I mean fish that are absolutely fresh when treated or processed.

If fish are fresh to start with, and are processed and canned properly, they will be good when opened up. Therefore inspection should be at the processing or canning plants, and processing of fish that are stale or have started to deteriorate should not be allowed. There is the fountain-head of the trouble; it is there that the trouble should be nipped in the bud. It is ruinous for the fish business to try to sell stale or second-grade fish for human consumption. People buy it, and then many slow up on eating fish of any kind, at least for the time being. We in this country must build up the fish business by giving the people the very best fish, and none other, as far as processing goes. If fish are not treated promptly after they come out of the water, they deteriorate: the fibre breaks down, the juices run out, and when one looks at them through the microscope the flesh resembles cotton wool; also the taste is flat or without flavour.

Those who have made a success of the canned fish business have done it through their labels. A label should be a badge of quality, honesty and integrity, so that people will know that behind it is the best fish available, and that the quality is guaranteed to stand up under ordinary circumstances in any part of the world. We have many firms throughout Canada that are proud of their labels, because they indicate the very top quality. If for the purpose of government grading of canned fish the figures 1-2-3 were to take the place of these labels, it would be a great step backward, and entirely illogical, because, as I have said, the top grade is the only grade of fish that is fit for human consumption. Anything below that grade should go for stock food. Fish are either fresh or they are not fresh—there is no middle state.

Section 7 states that whenever an inspector suspects, "on reasonable grounds"—which of course means in his opinion—that an offence against this part or any regulation has been committed, he may seize all fish and containers and may hold them for a period of two months or more. Why two months? The wording of the old Fisheries Act, which required him to "proceed with all convenient dispatch", would seem far more practical. The fish affected by his action may be under a sales contract. We are anxious to get American dollars, and fish which have been contracted for may be due for delivery by certain dates —or they may have been sold under a letter of credit. If delivery is not made on time the order would be subject to cancellation. Or space might be contracted for on a vessel, and even if the fish were not shipped on the boat the space would have to be paid for.

Section 8 provides:

An inspector or constable may arrest without a warrant any person found committing an offence under this part, and shall forthwith take any person so arrested before a Justice of the Peace to be examined and dealt with according to law.

A person so arrested may be detained twenty-four hours, perhaps in jail, before being brought before a magistrate or some other judicial officer. Why twenty-four hours? In most parts of our country a magistrate can be

reached quickly. There are a few isolated spots along our coasts where the process of law might take a week, or even ten days. It seems to me that the phrase "as expeditiously as possible", employed in the National Defence Bill, is preferable to fixing a period of twenty-four hours.

Section 4 was referred to by the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck). It would enable any inspector to take copies of any extracts, any books, shipping bills, bills of lading or other documents and papers. I understand from the department that what is meant here is documents in connection with shipments. It is agreed that this means that they can take copies of any processes, financial or cost statements, and statements with regard to processing fish. Many firms have special processes which they have laboured hard over the years to perfect, and certainly they would not want those processes, which in some cases may be a trade secret, passed around to everybody. Neither would they want their financial statements or cost statements passed around. In any event I cannot see what use these documents would be to the inspector in carrying out his ordinary duties.

I am in agreement with the principle of the bill, but I think it can stand some amendment and still give the Fisheries Department all the powers needed for efficient operation.

Hon. Mr. McKeen: Honourable senators, as to the seizing of the fish, I may say that this section, which was incorporated into the Act in 1945, was carefully considered in the committee of another place. Under certain other Acts the inspector has the power to confiscate the product in question, but this bill does not confer that power. The inspector has the right of seizure, but the confiscation is done by the courts.

Hon. Felix P. Quinn: Honourable senators, I want to point out that something more than the fish needs inspection, and that is the industry itself. The prices charged the fish consumer are much too high. For instance, in Halifax, which is right on the edge of the sea where the fish is caught, we are paying prices that are exorbitant.

Hon. Mr. Aseltine: There must be a combine.

Hon. Mr. Quinn: My honourable friend is getting a little ahead of me.

Hon. Mr. Roebuck: What about the wages? Can they stand inspection?

Hon. Mr. Quinn: The wages also require inspection. I am going to suggest to the government, through its leader in the Senate, that we need an investigation into the fish industry as well as into the flour-milling industry. My information is that right in Halifax there is a combine of the leading fish exporters. They have formed a sort of protective association, and have fixed the prices to be paid to the producer. The poor fisherman, who in all kinds of weather has to endure the risks and hazards of one of the most dangerous occupations in the world, is forced to take whatever price this monopoly fixes for his fish.

It is rather opportune that Tuesday's edition of the Halifax *Chronicle-Herald* should have published an editorial entitled "It Isn't 'Lowly' any More." It reads as follows:

> Time was when the "lowly" codfish was one of the cheaper articles of diet in this part of the world —cod, fresh, pickled, or dried.
>
> But it isn't a cheap article of food any more. According to market quotations, dry codfish is priced, retail at 27 cents a pound, whole fish; or 40 cents a pound with the bone removed.
>
> What becomes now of "cheap" fish-and-chips or equally "cheap" codfish-and-pork-scraps?
>
> The retail price of codfish (dry) used to range from 5 to 6 and 7 cents a pound. But today, this basic food is priced out of the market—"out of this world," as a new generation would say.
>
> Why? This newspaper does not profess to have the answer. Perhaps the answer is a good one, adequate and reasonable. But we do know that in this capital city of a fishing province, 27 cents a pound for ordinary dry codfish is pretty fantastic.
>
> And people who buy codfish at that price would like to be assured that the fishermen are getting an adequate share of the consumer's dollar.

This should answer the question raised by the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck).

My information is that there is a monopoly, and I would point out that a certain condition exists in Halifax that should not be tolerated. The recently appointed vice-consul for both the Dominican Republic and the Republic of Haiti is one of the most prominent fish merchants of Halifax, and if I were an independent exporter or shipper all my invoices would have to go to this competitor. He would learn my prices and acquire the names of my clientele, and he would naturally use this information to benefit himself and his associates. This condition should no longer be tolerated. We should be free to enjoy open competition, and the independent fish exporter should be given every opportunity to secure markets for his product without having to supply his competitors with information as to his prices and customers.

The high price of fish in Halifax has long been a grievance among the fish consumers there, and I would suggest to the leader of the government (Hon. Mr. Robertson) that he bring my remarks, and the editorial I have quoted, to the attention of the Minister of Fisheries. If the minister is as good a man as my honourable friend from Vancouver (Hon. Mr. McKeen) insists he is, I am sure he will instigate an investigation into the fishing industry of the Maritime Provinces.

Some Hon. Senators: Hear, hear.

Hon. Mr. McKeen: So far as the price of fish is concerned, I should be very surprised to learn that the fish buyers are able to set the price at any time. Perhaps they do so in the Maritimes, but I know that in British Columbia it is the labour unions who negotiate with the packers and establish the price to be paid the fishermen.

Hon. Mr. Quinn: That may be so on the west coast, but not in the East.

Hon. Mr. McIntyre: May I ask the honourable senator from Bedford-Halifax (Hon. Mr. Quinn) if he was talking about dried and boneless codfish?

Hon. Mr. Quinn: Yes, dried and pickled.

Hon. Mr. McIntyre: I presumed so, because even though Prince Edward Island is a fish-producing province, we get a lot of boneless codfish from Halifax at 27 and 28 cents a pound.

I should like to call attention to the fact that when a hundred-pound fish is caught it has to be salted and cured for ten days. At the end of this period the fish weighs only sixty-five pounds. Then it must be dried, and this process reduces the original weight to thirty-three pounds. After it is finally skinned and boned it weighs only about twenty pounds.

Hon. Mr. Quinn: Yes, that applies to processed fish; but what I had in mind was fresh fish bought from the fisherman at five or six cents a pound and retailed in Halifax for thirty cents a pound.

Hon. Thomas Reid: Honourable senators, I am sure that we are all in sympathy with the purport of the bill. We realize, as does the Minister of Fisheries, that there should be a greater consumption of fish in this country.

If anything needs to be inspected, it is fish. On the Canadian market—I will not mention any special locality—you can see fish that should not be offered for sale. And, as honourable senators know, even at the Parliamentary Restaurant you may be given fish of a variety different from the one you ask for. Of course, people who do not know one kind of fish from another will accept what is given them.

Some kinds of fish are put up in this country by methods that make the fish almost indigestible. Certain fish described as "smoked" is in fact painted with an acid. We must realize that, human nature being what it is, some people will sell anything so long they can make a profit on it. Therefore, steps have to be taken to curb the greed that is responsible for the marketing of poor quality fish.

I well remember the time, as no doubt every other senator does, when one would not order an egg in a restaurant for fear that it might contain a chick, or something else. When the Department of Agriculture got after farmers and tightened up restrictions there was a loud protest that it was wrong to interfere in this way with the rights of men. Yet, what is the situation today? On the markets of the world Canada's reputation for good eggs is so enviable that inspectors from Southern Ireland, Denmark and Great Britain came over here this year to find out what methods we used to produce such a high quality.

We can bring about similar results in the fish industry by enforcing inspection to make sure that consumers get good quality fish. Of course there will be protests from some people, but we all know that the consumption of fish will never be as high as it should be so long as poor grades are offered to the public on markets throughout the country. If a person who buys a piece of fish in a store finds on getting home that it has a poor taste, he is not likely to go back for more fish for quite a while.

It may be necessary to make some changes in the bill in committee, but I believe we all recognize that the bill represents a step forward by the Department of Fisheries in its effort to improve the quality of fish offered for sale and thereby to increase consumption in Canada.

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 Natural Resources.

The motion was agreed to.

ROYAL CANADIAN MOUNTED POLICE BILL

SECOND READING

On the Order:

Second reading, Bill 64, an Act to amend the Royal Canadian Mounted Police Act.

Hon. Mr. Robertson: Honourable senators, I have asked the honourable gentleman from Northumberland (Hon. Mr. Burchill) to handle this bill.

Hon. G. P. Burchill moved the second reading of the bill.

He said: Honourable senators, this is a very simple bill. It affects a small number—I

believe only six—retired members of the Mounted Police. These men had formerly been on provincial police forces, and at the time of joining the Mounted Police were required to make contributions to that organization's pension fund in order to be eligible for superannuation upon retirement. On account of the scarcity of men during the war, they were retained for longer than the normal period of service, and they are now entitled to some refund because of excess contributions made by them. The bill will enable the government to make the necessary refunds.

Hon. Mr. King: Have all the men retired from the force?

Hon. Mr. Burchill: They have all retired and are now on pension.

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

THIRD READING

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

Hon. Mr. Robertson: 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.

NATIONAL HOUSING BILL

SECOND READING

On the Order:

Second reading, Bill 142, an Act to amend the National Housing Act, 1944.

Hon. Mr. Robertson: Honourable senators, I have asked the honourable gentleman from Ottawa (Hon. Mr. Lambert) to handle this bill.

Hon. Norman P. Lambert moved the second reading of the bill.

He said: Honourable senators, the National Housing Act has become a kind of hardy and growing perennial in our legislative garden. Every session since the Act was first passed we have had before us a bill providing for certain amendments, and I believe that those set out in the bill now before us are the most important of all so far. In another place the bill was subjected to thorough discussion on second reading, in Committee of the Whole and on third reading, but I think it is correct to say that it was well received there.

I suppose it is only natural that a national housing statute should be amended from time to time, if for no other reason than to enable us to keep pace with changing conditions and to profit from the growing experience of the corporation which administers the Act and must inevitably deal with a variety of problems arising in this comparatively new field of government activity. It will be remembered that in the bill brought before us last session special emphasis was laid upon the need for additional housing units for rent. I think that if this bill may be identified by one specific feature more than another it would be by its recognition of the desirability of increasing facilities for making home ownership possible.

I think that, considering all the conditions that affected this country during and after the war, the National Housing Act has in general been good legislation. It has made available dominion credit to assist individuals who wish to build their own houses, and has facilitated the acquisition of land. It also has encouraged the promotion of many rental projects, as well as enterprises contributing to the private ownership of houses.

Also, through the experience gained in the administration of the corporation under this Act, there has been developed a group of public servants who are as valuable and useful to this country as anyone on the government payroll; I refer particularly to Mr. Mansur and his associates.

Some Hon. Senators: Hear, hear.

Hon. Mr. Lambert: I think their grasp of the problems thrust upon this country as a result of the war, and their unfailing industry in examining and trying to co-ordinate the various elements concerned, deserves the highest commendation. They have been actuated by the prevailing idea of the government: that the purpose of the Act is not to usurp the field of building construction, but to stimulate private enterprise with a view to meeting the demands for accommodation, and in time to effect the re-establishment of the building industry as the sole agency in meeting these demands.

There is every indication at present that before long the Central Mortgage and Housing Corporation will be a financing rather than a building body. The figures given by the minister in the other place show that more than 61 per cent of all building in the past year was done under private auspices, and that the remainder was carried out with government aid.

We should note the progress made in meeting the housing needs in this country since we discussed the question last year. More than 80,000 housing units were completed in 1948, and the preliminary figures indicate that almost 100,000 units will be completed in 1949.

Perhaps the most significant feature of 1949 is that for the first time the volume of new

housing units is in excess of what is known as the net family formations. In making that statement it is not suggested that the housing needs of Canada have been entirely met, but one must emphasize the fact that we are now more than meeting our current needs and are making some progress towards the establishment of a backlog to meet requirements. As I have already stated, the policy of the government in all these activities has been to rely upon private enterprise, and only to the extent that it requires assistance in the housing field.

During 1949, houses built on account of the federal government—such as veterans' rental projects, married quarters for personnel of the Department of National Defence and others—account for about 14 per cent of all construction. Another 25 per cent of this year's program will be financed under the National Housing Act. The remaining 61 per cent, as I have mentioned, will consist of structures built without government sponsorship of any kind.

I now come to the amendments contained in the bill, only one of which covers an entirely new field, that of dominion-provincial relations. This amendment appears in the last section of the bill. The other proposed changes extend functions already defined in the Act.

As the explanatory notes to the bill make perfectly clear, there are four major changes, two of which appear in clause 2. Clause 6 has to do with increased loans under the home improvement plan, and clause 9 makes provision for the acquisition of land for housing purposes through the joint effort of the dominion and the provinces.

Immediately following the war, prospective owners had little trouble in financing down payments. Gratuities, re-establishment grants and funds from other sources made it possible for a great many people to become home-owners, even where the down payment ranged between $1,500 and $2,500. As the situation is now materially changed, it is felt that the level of National Housing Act loans should be increased, and that the down payment should be correspondingly decreased. It is proposed, therefore, under clause 2 that a basic loan of 80 per cent of the land value be made to the home-owner or to the builder who intends to sell to a home-owner. If the owner secures the property at a fair and reasonable price, an additional loan of one-sixth of the basic loan may be made.

The minister in another place emphasized the importance of the provision relating to a "fair and reasonable" price. This more generous financial assistance given under clause 2 might, it is thought, have the effect of increasing the price of houses. As a safeguard against such increase, the bonus loan of one-sixth of the 80 per cent loan will be made only when the corporation is satisfied that the price at which the proposed owner buys the property is fair and reasonable. Under present conditions it is easier to sell a house for $8,000 with $1,000 down than for $7,000 with a $2,000 down payment. The "fair and reasonable" proviso is introduced because little good would be done if, by increasing the mortgage loan, the sale price of the house were increased, with the net result that the home-owner would have a large down payment to make and a larger loan to carry. If honourable senators feel so inclined, the details concerning this change can be examined further in committee, where, I believe, the chief officials of the corporation will be ready to furnish information such as they have always supplied generously in the past. In general, the proposal is to increase the level of mortgage loans to home-owners so that they will be able to buy a house with a down-payment of approximately one-sixth of the sale price. This has the effect of reducing present requirements as to down-payments by about one-half.

The other change under clause 2, to which I would refer, has to do with the re-definition of co-operative groups and the character of the enterprise undertaken by such associations. Hitherto co-operative groups have been afraid to undertake building projects because of the risk of being jointly and severally liable. By this amendment it is proposed that a group of people who are interested in undertaking to build together in a co-operative way, and in occupying the houses themselves, may be relieved of the onus of joint and several responsibility so that if any losses occur they will not be collectively liable, but individually liable, each for his own proportion of the deficiency in the mortgage account.

The clauses between 2 and 9, which I do not think it is necessary for me to go into at this time, have to do largely with procedural matters in relation to the mortgage corporation and the Department of Finance. Clause 6, however, is for the purpose of increasing the amount of loans for home improvements. This section will be put into force by proclamation of the Governor in Council when materials which are now scarce have become more abundant and permit of the application of this provision.

The major change proposed by this bill is the establishment of a dominion-provincial arrangement whereunder the two governments may assist in the development of housing. The federal government may join with a provincial government in projects to

assemble land, and arrange for houses to be built for sale or for rent. The experience of the last few years has shown very clearly that governmental assistance in the housing field, to be fully effective, requires the participation of the provinces. As everyone here knows, there have been arguments back and forth as to whether the provinces should assume responsibility for building enterprises or whether the sole responsibility should rest with the dominion. Without developing the proposal in great detail, I may say that the effect of the amendment is to make the Central Mortgage and Housing Corporation the co-operating agent, with similar co-operating agencies in the provinces. It is my information that, except in Quebec and Alberta, the ground is already laid for procedure along these lines. The condition which it will help to create more than any other is the availability of new areas of land outside the bounds of municipalities, where building projects can be undertaken. For example, during the past year, within the bounds of the city of Toronto itself, the number of houses built is only twenty-six; and the demand for new residences and living places has resulted of course in all sorts of undertakings in the territory immediately adjoining, in the townships in the county of York. But there, the cost of servicing—of laying down water mains and sewerage and of providing all the other services which a municipality has to supply in connection with a new district is too great for any municipality to bear alone. It is to meet that situation that this amendment is suggested. In effect it is enabling legislation: it will enable a province, upon the request of a municipality to meet a condition which exists in that municipality, to go to the dominion and find the way already paved for co-operation in dealing with these matters.

As far as I am concerned, the main feature of this bill is the gratifying evidence of co-operation between the dominion and the provinces, and particularly on a matter which means the betterment of living conditions amongst our people. That is the feature of the bill which commended it to the other house and gave it such a wide degree of acceptance.

In conclusion I should like to raise one point which was not mentioned in the other place, namely, the significance of this enterprise from the financial and economic point of view. If this bill is passed, it will mean that the Central Mortgage and Housing Corporation will have had something like $300 millions to devote to this work. The amount which has been spent already in loans exceeds $100 millions. The extent to which a supply of houses of different kinds is being given to the people of this country during a period when costs are high and materials scarce, and therefore expensive, raises the whole question of this country's ability to pay. The financial and economic phases of this administration are one thing, and the social betterment involved is another. This Act has been in effect now for the last five years, so it is quite obvious that it is the desire of Canadians to meet social conditions and not to count the cost. Members in both houses should appreciate the fact that this is an equation, with the financial and economic considerations on one side and the social betterment of our people on the other. Anyone can predict the future conditions of this country as well as I can, but I have little doubt that within a year or two our economic and financial outlook will be different from that of the past three or four years.

Hon. Mr. Davies: I hesitate to interrupt my honourable friend at this point, but I should like to ask whether the government makes any inspection of the houses which are built under this government housing scheme? One constantly hears the complaint that many of the houses are of poor quality, that the roofs leak and the doors do not fit. I am wondering whether the government makes any inspection of these houses.

Hon. Mr. Lambert: There is a provision for the inspection of these houses. This point was raised in the other place, and the Minister made it quite clear that the inspections undertaken by the agents of the corporation were made for the protection and security of the mortgagee. However, it is also the responsibility of the owner or prospective owner to see that the quality of the house is up to standard. There is a tendency on the part of people building under this scheme to lean entirely upon the state, but the administrators of the Central Mortgage and Housing Corporation certainly do not encourage this attitude.

To conclude the point upon which I was speaking, the whole undertaking of the National Housing Act is one of enlightenment, and marks a new pathway for the people of this country. It is identified with what we may call social security and social welfare; and in my opinion, so long as we have wars such as the last one and countries like ours are precipitated into them through no fault of their own, the consequences must be met by measures of this kind. This is my answer to the points which may be raised about the ultimate cost that will fall upon our taxpayers.

Honourable senators, taking everything by and large, I think this experiment has been well worth while and has saved Canada a good deal of trouble. Now that we are

beginning to see the light of day in the matter of supply and demand, I think we can feel the utmost gratification over the administration of this Act.

Hon. John T. Haig: Honourable senators, I shall not delay the house at any great length, and I shall certainly not speak as long as did the sponsor of the bill (Hon. Mr. Lambert).

I am not so sure that the honourable senator told the house just what the bill entails. I admit he told us in general terms, but I shall try to illustrate what I mean. I shall not deal with home improvement, because I am in agreement with it. I feel that money spent to improve homes, by converting them into duplexes and effecting other alterations which bring the owner more remuneration, is money well spent.

The honourable senator said that there was going to be a reduction in the cash deposit required. Let me illustrate what this will mean. On a house which is being purchased for $10,000 the Central Mortgage and Housing Corporation will lend $8,000. This constitutes the first mortgage, and leaves a balance of $2,000, but this measure further provides that the government will take, as a second mortgage, one-sixth of the $8,000, which leaves approximately $1,350. In other words, the purchaser of the $10,000 home has to put up only $650 in cash. I do not believe any business can be operated successfully on such a small margin, particularly when it is faced with the very things my honourable friend from Ottawa (Hon. Mr. Lambert) suggests lie ahead.

Hon. Mr. Davies: There is a loan value there.

Hon. Mr. Haig: The loan value is $10,000. The Housing Corporation lends 80 per cent of the loan value.

Hon. Mr. Davies: That is the final cost of the house.

Hon. Mr. Haig: If you want to build a house under this plan you apply to the Central Mortgage and Housing Corporation; you produce plans for, say, a $10,000 house, and the corporation makes a reasonable effort to see that it is built according to plan. The house is to cost $10,000 and the housing corporation lends 80 per cent of this amount which is $8,000; then the government lends one-sixth of that amount, which comes to approximately $1,350, and the purchaser has got to put up $650 or $675 as a cash payment. If you wish to estimate the cost of a $6,000 home, it is done in exactly the same way. In any event, the purchaser of the $10,000 home has only got $600 or $700 of his own money invested—and I believe the amortization is over a thirty-year period.

Hon. Mr. Lambert: Would the honourable senator permit me to interrupt? On a $6,000 home the loan would be $4,800, and one-sixth, or $800, on top of that loan would make a total of $5,600.

Hon. Mr. Haig: But all the purchaser would pay would be $400.

Hon. Mr. Lambert: No. You are forgetting the fair and reasonable amount.

Hon. Mr. Haig: I do not care what you say, here is what happens. The man who is going to build the house goes to the Central Mortgage and Housing Corporation and submits his plans and specifications, and inquires, "How much will you loan me on this house, provided it is built according to these plans?" He is told that on a $6,000 house he will get $4,800.

Hon. Mr. Lambert: That is right.

Hon. Mr. Davies: Has he not got to provide the lot?

Hon. Mr. Haig: No, that is part of the total cost. Lots are inexpensive where I come from; and where the honourable gentleman on my right lives you can acquire a whole acre, representing at least twelve goods lots for $250.

Hon. Mr. Davies: Where is that?

Hon. Mr. Haig: In Toronto. The purchaser puts up $400 on a $6,000 house.

What has been the housing experience of the United States? A survey of housing trends in the United States over the past 150 years shows that house prices rise and decline over an eighteen-year period. Every time the price rises it goes up a little higher, and every time it drops it does not descend quite so far. There are two reasons for that. One is the cost of labour which, as everybody knows, represents a large part of the cost of all houses, especially frame houses. I am not saying that in any spirit of criticism; I am simply pointing it out. It is easier to increase the price of a house than to cut down the cost of labour, and the contractor takes the easy way. I was a contractor in this very line of business for twelve years, and I know that I would pay increased wages and charge them against the price of the house in preference to having a fight with a union.

Hon. Mr. Paterson: Is the labour cost not 95 per cent of the cost of a house?

Hon. Mr. Haig: I do not know what the percentage is, but it is very large. Of course, it depends upon what you have in mind when you are talking about labour costs. I was thinking only of the labour employed on the

erection of the house, not of the labour that goes into the production of the cement, lumber and so on.

Hon. Mr. Paterson: But that is all labour.

Hon. Mr. Haig: I admit that.

The experience in the United States over one hundred and fifty years is that on the average there is a rise and fall in prices every eighteen years—that is, prices will rise for eight or nine or ten years and then decline for a few years.

We are told that the government is rendering a good social service through this housing Act. I am not objecting to that, but let us not think that this national housing is a good business proposition, for it is not. You cannot sell a $6,000 house for a cash payment of $400 and get away with it. I have known vendors to get as much as 20 per cent cash when selling houses and yet have an awful time trying to get the balance of their money.

And not only is the cash payment on many of these houses too low, but the houses are not as well built as similar houses used to be years ago, even five years ago. Building contractors cannot make a success of their business under these conditions. Already three or four fairly large concerns in Winnipeg have gone broke. In some cases the reason is not hard to find. You will see, for instance, a row of houses—perhaps twenty, thirty or forty—built outside the city, where heavy expense had to be incurred to put in water and sewerage services. The people who buy the houses not only have to bear these extra costs, but in order to get to their daily work in the city they must pay higher streetcar fares than city residents do. It is no wonder that people who have got possession for a small down payment leave the houses as soon as more central accommodation becomes available.

I am not preaching that depression is on the way, but I say quite candidly that house prices will not remain indefinitely at their present high level. I believe the First Minister of Quebec was absolutely right when he said that the widespread prosperity at the time of the last election gave all the breaks to the Liberal party. The country is still prosperous, but we do not need to look far back to recall when conditions were far different. In the ten-year period prior to the outbreak of the war houses twenty years old could hardly be sold for what it had cost to build them. That condition will occur again.

Here is another point. As my honourable friend from Blaine Lake (Hon. Mr. Horner) said to me the other day, we are spending money to help people obtain houses in cities, but what are we doing to provide housing for farmers? Now, in Manitoba and in Ontario—and I presume also in Quebec and the Maritime Provinces—a great deal of money is being expended on rural electrification. But if we are to keep our young men and women on farms we must make it possible for them to obtain as good housing accommodation in the country as is available in the cities.

Hon. Mr. Lambert: My honourable friend must know that the Act provides for assistance to people who wish to build in rural sections; but there has never been much demand for it.

Hon. Mr. Haig: So long as the demand in the cities is as strong as it has been, no contractor will go out to the country and build. He would be a fool if he did.

Hon. Mr. Lambert: But the corporation has had very few requests for assistance in the rural sections.

Hon. Mr. Haig: The government has had no program for encouraging building in the country. There was very little demand for electricity in rural Manitoba until the provincial government started its program but as soon as a farmer here and there had his place equipped his neighbour wanted similar facilities, and in that way the demand increased.

Now I wish to pass on to the question of rentals.

Hon. Mr. Roebuck: Before the honourable gentleman takes up that point, may I ask him a question? Did I understand him to say that building land within range of the city of Toronto could be bought for $250 an acre?

Hon. Mr. Haig: I think that is so.

Hon. Mr. Roebuck: I wish he would tell me where the land is.

Hon. Mr. Haig: I have often seen some of it when driving between Hamilton and Toronto.

Hon. Mr. Roebuck: Close to the city of Toronto but outside the city limits a builder is likely to have to pay from $1,000 to $2,000 for a lot large enough to put a house on.

Hon. Mr. Haig: Well, then, it is no wonder that there is a housing shortage in Toronto.

Hon. Mr. Roebuck: Of course, that is the pith and substance of the trouble.

Hon. Mr. Haig: In Winnipeg good building land is not as high as that. A few years ago a great deal of vacant land there was held by the city and sold at two-thirds of its assessed value.

Now I want to say something about housing for rent. The sponsor of the bill (Hon. Mr.

Lambert) has said that the government will endeavour to make a deal with each province for a sharing of the cost of constructing houses for rent. That is the only part of the bill that interests me; it is the only part of the bill that is any good. You are just asking for trouble when you sell a $6,000 house to a purchaser who pays only $400 cash. The people in this country who really need help are those who cannot buy houses, either because they are unable to afford them or because the nature of their employment is such that they are subject to transfer from one place to another. But I am not so sure as my honourable friend is that the provinces will be eager to join with the federal government in the construction of houses. They have indicated that they are interested in the proposition, and I can understand that, but trouble will arise over the taxation of houses in outlying districts where schools have to be built. For instance I know that the building of 150 houses for veterans in the Elmwood district of Winnipeg made it necessary to add eight or ten rooms to one of the schools.

I may be a pessimist, but I venture to suggest that in five years from now the government will be the largest owner of houses in Canada. Builders in cities all across the country will find themselves in financial trouble and the properties will have to be taken over by the government. True, there is a demand for houses, but I think that demand has been considerably misunderstood. The government is taking less risk by assisting the building of houses for rent than of houses for sale. A house that could be bought ten years ago for $4,500 or $5,000 now costs $10,000, or just about double. The value of a house might drop to a point where the government's equity would disappear.

The people who need help are those interested in a rental proposition. I believe that for them houses could be built, which, though perhaps not as fancy as those for prospective purchasers, would be four-square and warm, have electricity and plumbing—

Hon. Mr. Aseltine: And a basement.

Hon. Mr. Haig: —and would serve a great need. There is a crying need for rental housing. The fact that some people are unable to buy houses may be their own fault, or it may be the fault of our society, but there should be a minimum standard of accommodation provided for them. I am very pleased to see that the bill to some extent provides for this class of people. I hope that every province in Canada will accept the challenge and co-operate in the scheme. I do not believe that the province of Quebec will oppose it; I do not know about Alberta, because it is now so rich that it does not need much help. But if the provinces are really interested in the needs of their citizens, they will get behind the plan and make it work.

Like the members of another place, I am not voting against the bill, but I hope that great care will be exercised in the lending of money to purchasers who are able to make only a very small down payment. I am quite willing that the bill should be referred to committee, though I see no real necessity for it. The persons who would appear before the committee can tell us what is being done, but they cannot predict the events of the future. If the government wants the bill passed, I am prepared to vote for it. I hope that some action will be taken to promote the building of houses on a rental basis.

Hon. Mr. Lambert: In connection with his emphasis on the rental field, I may say to my honourable friend that there is nothing in this bill which precludes that field from the same opportunities for development as previously existed. The co-operation proposed between the dominion and provinces in exploring the possibilities of building on new areas, which will have to be serviced, provides an opportunity for rental projects in the same way as it does for home ownership projects. What proportion will be in the rental field and what in the home ownership field will depend upon the action taken by provincial agencies in conjunction with the federal authorities. The explanatory note to clause 9 of the bill indicates that we are to have a more intimate contact between the people and the government agencies which are attempting to provide accommodation for them.

Hon. Mr. Haig: That may be so, but I repeat that because the personnel of the housing organization have been trained for the last six or seven years to provide homes for prospective purchasers, I fear the government will not be anxious to go into the rental field. The government may hope that the fellow who buys a house will be able to pay for it; but the people with the greater need are those who require rental accommodation. This need can be met only by the government putting its shoulder to the wheel and getting some action. Building for rental purposes requires a close consideration of suitable locations, and special attention to the proximity of schools and employment. It may be all right for certain people to choose a location which suits them and to build on it, but the fellow who rents, should be so located that when he moves the property will be acceptable to someone else.

Hon. Mr. Davies: Honourable senators, the hour is late and I do not wish to prolong this discussion, but may I ask a question of the honourable senator from Ottawa (Hon. Mr. Lambert)?

I was interested to hear the honourable senator from Winnipeg (Hon. Mr. Haig) remark that the buying of a house was a thirty-year proposition. Is it possible for a young man and woman who buy a house for say $10,000, and make a down payment of $600 or $700, to pay off the mortgage in a shorter time? Such young people might be able to secure a commercial loan and get out from under their obligation to the government, which they might be finding expensive. What percentage of the borrowers have been doing that?

Hon. Mr. Lambert: I believe it is possible to pay off a mortgage at any time.

Hon. Mr. Haig: After a period of two years.

Hon. Mr. Lambert: There is such a provision in most mortgages.

Hon. Mr. Davies: Have many of the borrowers been doing that?

Hon. Mr. Lambert: I do not think many have. As a matter of fact, the experience of the corporation to date has been very good on the question of finances; but I think it only fair to make the point quite clear that the whole enterprise has not been conducted on the same basis as a private building loan society would conduct its affairs. The scheme has been developed for the purpose of meeting a social need.

The question now is whether the people will be as enthusiastic about the proposals when they consider the cost. It is only fair to say, however, that public opinion in this country definitely favours such an experiment as we have had for the past 5 years in the field of housing.

Hon. Mr. Roebuck: Did I understand the member from Ottawa to say that only twenty-six houses had been built last year within the municipality of Toronto?

Hon. Mr. Lambert: That was the figure given to me for the houses built within what we call Toronto proper, not greater Toronto.

Hon. Mr. Roebuck: Not metropolitan Toronto, but municipal Toronto?

Hon. Mr. Lambert: Yes.

Hon. Mr. Roebuck: Has the honourable senator the figure for building construction in what I might call political or economic Toronto?

Hon. Mr. Lambert: It is quite possible to get those figures, but I have only the distribution by provinces in percentages of 100,000 units.

Hon. Mr. Roebuck: One must consider that in Toronto there is a political division of an economic territory, as I understand it, and a very considerable number of houses were built last year in the municipalities surrounding that city.

Hon. Mr. Lambert: Quite a number.

Hon. Mr. Roebuck: My honourable friend also said that there was great difficulty in providing services for the new houses, such as sewers, sidewalk and that sort of thing. That is of course the case because the system makes the territory a very extensive one.

My honourable friend from Winnipeg (Hon. Mr. Haig) mentioned the price of $250 an acre for land. That may be the price of farm land far from the city of Toronto, but within the range of the city the owners of potential building lands have advanced their prices. They are able to do so because of the uneconomical tax system of our municipalities.

I learned with considerable regret that when the division of the fields of taxation was being discussed in one of the conferences between the dominion and the provinces, the dominion gave to the provinces some undertaking that it would not invade the field of direct taxation upon land values. That was a bad undertaking in view of the fact that the dominion is assuming responsibility for the building of houses and is leaving to the provinces and the municipalities all the arrangements to be made between the public and the people who own the land upon which houses will be built.

I suppose the real problem is how to provide the facilities to which my friend refers. But do not overlook the obstruction in the way of the building of homes which is caused by the unrestricted price that the land-owner may demand from industry. The price of building lots in all our large cities, particularly in Toronto, has been skyrocketing, so that the man who wants to build a house is milked of a large sum before he is allowed to start building: and after that, of course, he has to meet all the other practical difficulties. At least one great factor in the solution of the housing problem lies in municipal taxation. We could open the way for the building of houses in much greater numbers by the sane application of the tax burden upon land values rather than by the

imposition of sales taxes, tariff charges, and other imposts which increase the cost of building material.

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

THIRD READING

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

Hon. Mr. Robertson: It has occurred to me that, as the Committee on Natural Resources is about to meet, it might be desirable to refer this bill to that committee.

Hon. Mr. Lambert: The leader of the opposition indicated that he would let the bill go through at once. I do not want to take advantage of his great generosity.

Hon. Mr. Haig: Speaking only for myself, I can see no object in sending the bill to committee, though if anybody wants it to go there I shall not object.

Hon. Mr. Robertson: With unanimous consent we could proceed to the third reading.

Hon. Mr. Lambert: I so move.

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, December 2, 1949

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

Prayers and routine proceedings.

SURPLUS CROWN ASSETS BILL

CONCURRENCE IN COMMONS AMENDMENT

The Hon. the Speaker: Honourable senators, a message has been received from the House of Commons to return Bill E-6, an Act to amend the Surplus Crown Assets Act, and to acquaint the Senate that they have passed the said bill with one amendment, to which they desire the concurrence of the Senate.

The amendment was read by the First Clerk Assistant, as follows:

Page 1, line 21. After the figures "1937" insert the following words "or the National Harbours Board".

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

Hon. Mr. Robertson: If it is agreeable to the house, now, although I must confess I am not in a position to explain it.

Hon. Mr. Haig: We know what it is.

Hon. Mr. Robertson: Then, I move that the amendment be concurred in now.

The motion was agreed to.

CANADA FORESTRY BILL

FIRST READING

A message was received from the House of Commons with Bill 62, an Act respecting forest conservation.

The bill was read the first time.

CANADIAN NATIONAL RAILWAYS FINANCING AND GUARANTEE ACT BILL, 1949

FIRST READING

A message was received from the House of Commons with Bill 148, 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 1949, and to authorize the guarantee by His Majesty of certain securities to be issued by the Canadian National Railway Company.

EXCISE TAX BILL

FIRST READING

A message was received from the House of Commons with Bill 175, an Act to amend the Excise Tax Act.

The bill was read the first time.

MARITIME COAL PRODUCTION ASSISTANCE BILL

FIRST READING

A message was received from the House of Commons with Bill 217, an Act to assist producers of coal in the Atlantic Maritime Provinces.

The bill was read the first time.

TEMISCOUATA RAILWAY BILL

FIRST READING

A message was received from the House of Commons with Bill 145, an Act respecting the acquisition of the Temiscouata Railway.

The bill was read the first time.

DEPARTMENT OF RESOURCES AND DEVELOPMENT BILL

FIRST READING

A message was received from the House of Commons with Bill 211, an Act respecting the Department of Resources and Development.

The bill was read the first time.

DEPARTMENT OF MINES AND TECHNICAL SURVEYS BILL

FIRST READING

A message was received from the House of Commons with Bill 211, an Act respecting the Department of Mines and Technical Surveys.

The bill was read the first time.

LUMBER INDUSTRY OF THE MARITIMES

INQUIRY AND DISCUSSION

Hon. G. P. Burchill rose in accordance with the following notice:

That he will call the attention of the Senate to the condition of the lumber industry in the Maritime Provinces and will inquire of the government if they are aware that a recent inquiry from the United Kingdom for 50,000 standards is restricted to offers from producers in Western Canada and the northwestern United States.

He said: Honourable senators, I do not intend to detain the house at any length, but I feel that I would be derelict in my duty as a representative of the Maritime Provinces,

and particularly of the province of New Brunswick, if I did not again call the attention of the house to the present unhappy situation as regards the paralysis of the lumber industry in the Maritime Provinces.

Lumbering is an ancient industry of the Maritimes; it stems from the earliest days of Canadian history. From as long ago as 1760, when every white pine big enough to make a mast or a spar or a yard for His Majesty's Navy was stripped from that country and taken to the United Kingdom, that industry has been one of the strands of the bonds which have held together what we previously knew as the British Empire and what is today the British Commonwealth of Nations. In recent years, since 1940, upwards of 200 million superficial feet of eastern spruce lumber have been shipped across the Atlantic annually. This year, on account of the dollar situation, our lumber industry is practically idle.

I want to impress all honourable senators with the gravity of this state of affairs. I tell the house—and from his experience in his own district the honourable senator from Royal (Hon. Mr. Jones) will endorse my statement—that men are idle today, and that because of this condition and the present high costs of living, the people of the Maritimes are enjoying neither "freedom from want" nor "freedom from fear". This situation affects not only the lumber industry, but every class of society in New Brunswick. The problem was pretty well described in a conversation which I had recently with a man in my constituency whose life has been spent in the woods and who has a large family, and today is idle and worried. He said to me: "You tell me that we can't continue our industry because of the foreign exchange problem. I don't understand exchange and currency questions; I have to rely on what I read in the newspapers and what I am told, and the more I read the less I know. But one thing I do know is that if war broke out tomorrow the foreign exchange problem would disappear and there would be plenty of currency with which to carry on business." It seems a sad commentary on our present-day civilization that, though we can invent and build planes to eliminate distance, and bombs capable, perhaps, of destroying human society, yet with all our wit and ingenuity we have not discovered ways and means by which nations and peoples can exchange goods and thereby promote the happiness and prosperity of all.

So I call the attention of the government to this situation, and ask our leader to impress upon them the seriousness of our position. It was bad enough to know that while we stood idly by, purchases of lumber were being effected from Russia, Finland, Czechoslovakia and other European states; but it was an even more bitter pill we had to swallow when we learned that inquiries had been received for 100 million superficial feet of lumber but that offers were restricted to producers on our west coast and in the northwestern United States. Perhaps one of the greatest crimes with which the people of the Maritimes can be charged is that in the past they have perhaps served their King and country with too much zeal.

This morning I received word from the United Kingdom that the amount of dollars which the British authorities will allocate to Canada for purchases in 1950 has been fixed, and that the Canadian government is aware of that amount and of the commodities to which these dollars are to be allotted. I was informed that pit-props were definitely not on the list, but that if Canadians felt that these or any other commodity should be put on the list, negotiations could be entered into for a reduction of quantity of some of the commodities listed. This information may or may not be correct, but I should like to ask the leader of the government (Hon. Mr. Robertson), who is just as conversant with the situation as I am, to pass this information on to the government. If it is found to be correct, he could possibly ask the government to arrange something in the way of sales of pit-props to the United Kingdom.

The amount spent on pit-props in the whole of the Maritime Provinces last year was only $7,300,000, and the amount spent on eastern Canadian lumber was only $11 million. These figures are small compared with the total amount of British purchases in Canada, but honourable senators will realize just how much they mean to the good and loyal citizens of that very important part of Canada, the Maritime Provinces.

Some Hon. Senators: Hear, hear.

Hon. Wishart McL. Robertson: Honourable senators, my honourable friend from Northumberland (Hon. Mr. Burchill) has inquired whether the government is aware that a recent inquiry from the United Kingdom for 50,000 standards is restricted to offers from producers in Western Canada and the northwestern United States. I could answer this inquiry by saying that the government is aware of this situation, but I should not like to be so brief, because the question is an important one to the economy of the Maritime Provinces. I should prefer to reply at greater length and explain the situation, but

I am not prepared to do so this afternoon. I therefore move the adjournment of the debate.

The motion was agreed to, and the debate was adjourned.

CANADIAN OVERSEAS TELECOMMUNICATION CORPORATION BILL

CONCURRENCE IN COMMITTEE AMENDMENTS

The Senate proceeded to consideration of the amendments made by the Standing Committee on Transport and Communications to Bill 12, an Act to establish the Canadian Overseas Telecommunication Corporation, as follows:

1. Page 2, line 19. Delete "Directors" and substitute "Board of Directors".
2. Page 2, line 25. Delete "solemnly and sincerely".
3. Page 4, line 34. After "acquire" insert "any or".
4. Page 7, lines 35 to 45. Delete sub-clauses (1) and (2) of clause 14 and substitute the following:

"14. (1) At the request of the Corporation and with the approval of the Governor in Council, the Minister of Finance may, from time to time pay

(a) to the Corporation out of the unappropriated moneys in the Consolidated Revenue Fund amounts not exceeding in the aggregate four and one-half million dollars; and

(b) in addition to the payments referred to in paragraph (a) moneys appropriated by Parliament for the capital purposes of the Corporation."

5. Page 8, lines 1 to 6. Renumber sub-clauses 3 and 4 as sub-clauses 2 and 3.
6. Page 8, line 30. Delete "it" and substitute "the Corporation".

Hon. Mr. Robertson: Honourable senators, in the absence of the Acting Chairman of this committee (Hon. Mr. Gouin), I move concurrence in the amendments.

The motion was agreed to.

THIRD READING

The Hon. the Speaker: When shall this bill be read the third time?

Hon. Mr. Robertson: I move the third reading of the bill.

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

PRAIRIE FARM ASSISTANCE BILL

SECOND READING

Hon. Wishart McL. Robertson moved the second reading of Bill 185, an Act to amend the Prairie Farm Assistance Act, 1939.

He said: Honourable senators, I had toyed with the idea of asking the honourable gentleman from Blaine Lake (Hon. Mr. Horner) to explain this bill.

Some Hon. Senators: Oh, oh.

Hon. Mr. Robertson: But, thinking that would possibly handicap him in certain comments that he might wish to make on the bill, I decided to explain it myself.

The Prairie Farm Assistance Act was placed on the Statute Books of Canada in June 1939, as a result of the many difficulties and problems which had arisen in Western Canada, and more particularly in certain areas, by reason of general crop losses. These losses were caused by drought, grasshoppers, sawflies, cutworms, flooding, hail, frost, and so on. They had placed upon many rural municipalities and the provincial governments the obligation of providing direct relief and agricultural assistance to those who had suffered repeated crop losses, a financial obligation which became not only difficult but quite impossible for the municipalities and provinces to sustain. To meet the situation thus created, calls for assistance were made upon the federal government by the provinces, and consequently a system of direct agricultural relief was developed.

The Right Honourable J. G. Gardiner, Minister of Agriculture, made a study of the situation with a view to evolving some plan which would in the main remove this burden of relief from the municipalities and provincial governments in years when there was a widespread crop failure. The result was the passing of this Act, which first became operative in time for the crop year beginning August 1, 1939.

From 1939 to the end of the crop year in 1948, payments totalling almost $104 million were made to farmers. Of this sum about $34 million was contributed by the farmers themselves. The contribution is made by way of a one per cent levy which is deducted from the sale price of all wheat, oats, rye and barley sold to or through licensed grain dealers and the elevators. This levy is collected by the dealers, who transfer it to the Board of Grain Commissioners of Canada, and it is then deposited in the Consolidated Revenue Fund. This means that about $3 was paid out by the Government of Canada for every dollar collected, and that the difference of $2 was paid by the taxpayers of the whole country.

At the present time awards paid to farmers are in two categories and, are made on half of the cultivated acreage only, up to, but not exceeding, 400 acres; in other words, the maximum cultivated acreage for pay is 200 acres. When the average yield in an area is from 0 to 4 bushels per acre, a farmer in that area receives $2.50 per acre on one-half of his cultivated acreage. When it is 4 to 8 bushels, the payment is $1.50. The awards are payable in two instalments: 60 per cent in December, and 40 per cent in March of the following year.

Now I come to the proposed amendments. When the Act was first passed, a crop failure year, or emergency year, had to be declared

by the Governor in Council. However, as a result of an amendment made in 1947, this is no longer necessary, nor is it necessary to have a stated number of townships where the yield is from 0 to 4 bushels before payment can be made. Any township with a yield of less than 8 bushels of wheat per acre can qualify. This amendment of 1947 also brought into payment, areas that were outside an eligible township but contiguous to it; at the same time it took out of payment, areas in an eligible township where there was some crop. It has been considered for some time, however, that the Act did not go far enough in bringing areas into payment, and after careful study it was deemed that the amendments in this bill would be an improvement in making awards to those who have suffered crop losses.

Under the present Act a rectangular block of 9 sections of land is taken out of payment in an eligible township when contiguous to one that is ineligible and when the average yield in that block is 14 or more bushels to the acre. The proposed new section 7(a) of the Act will reduce the area taken out of payment in an eligible township when contiguous to one that is ineligible, from a rectangular block of 9 sections having an average yield of 14 bushels, to one of 6 sections having an average yield of more than 10 bushels.

The new section 7 (b) brings into payment smaller areas than heretofore which are outside but contiguous to an eligible township. It reduces the size of such areas from a 9-section rectangular block to a sixth of a township—which I presume is six sections—and the average yield from 10 bushels to 8 bushels or less.

Hon. Mr. Haig: There are 36 sections in a township.

Hon. Mr. Robertson: Yes, but this reduces the size of the area from a 9-section rectangular block to one-sixth of a township, and I added that I thought that meant 6 sections.

Hon. Mr. Haig: Correct.

Hon. Mr. Robertson: The most important amendment is the proposed section 7(c). This is something new, and the effect will be to bring into payment any half-township outside areas already established on a legal township basis, but it need not be contiguous to them. It will have the effect of reducng the unit in areas declared eligible for award from a township to any rectangular area consisting of no less than 18 sections, or half a township, provided, of course, that such an area has already been established elsewhere on a township basis. For all practical purposes, therefore, it will reduce the unit to half a township, for experience shows that there has never been a year without at least an area of one township with a crop failure.

Hon. W. M. Aseltine: Honourable senators, I am sure we all appreciate the explanation just given to us by the honourable leader. The Prairie Farm Assistance Act has been before us for amendment almost every year since 1939, and I think we are gradually improving it. I am strongly in favor of the amendments proposed in the present bill. The Prairie Provinces—Manitoba on the East, Saskatchewan in the centre and Alberta on the West— extend over a very wide area, and while any one of these provinces may have a big crop, but there may be areas within those provinces where, because of the lack of rain, there is no crop at all; therefore some relief such as is provided by this Act is absolutely necessary.

As has been explained, a township is an area six miles square, and comprises 36 sections of land. A section is a mile square and contains four quarter sections. When the bill refers to a strip of land six sections long, it could mean the whole side of a township. The amendment changing the wording from nine sections to six is a considerable improvement. It is also an improvement to consider a half township instead of the whole, as there are many townships which have suffered crop failure only in certain parts.

When I spoke on this subject the last time it was before the house, I said that I was very much in favour of the Act and always had been, but that there was one feature of it with which I did not agree. I have in mind cases where the crop production has been such as to qualify certain areas for payment under the Act, as was mentioned by the honourable leader of the government. But in some of those areas there may be a farmer who has 20, 30, or even 40 bushels per acre —which in no case could be considered a crop failure—and yet he collects in the same way as do the other farmers. I have in mind the case of a farmer who, although he paid income tax of more than $5,000 for the year, was obliged to accept a payment of $1.50 an acre for 200 acres of his cultivated land. In other words, he collected $300 under this Act, and paid income tax on that amount. I think the Act should be further amended to except such farmers. A farmer who has a crop of the kind I have mentioned should receive no assistance.

There has been some confusion about just how a crop failure in any township is arrived at. I shall try to clear up that point. The yield of wheat is only used to ascertain whether the area is dry enough to entitle the farmers in it to receive payment under the

Act. For example, I may be a livestock farmer and grow no wheat at all; but if the yield of wheat in my township or in the area surrounding my farm is four bushels or less per acre, I receive $2.50 an acre for 200 acres of my land just as if I was a wheat grower. Do I make myself clear?

Some Hon. Senators: Yes.

Hon. Mr. Leger: That is a very strange situation.

Hon. Mr. Horner: The farmer has to buy feed for his cattle.

Hon. Mr. Aseltine: If the township is so dry that the wheat farmers have four bushels or less to the acre, the law says that other farmers in the area, whether grain producers or not, are entitled to the same relief.

Hon. Mr. Leger: If a man is not a farmer at all, is he entitled to relief?

Hon. Mr. Aseltine: He has to be a farmer.

Hon. Mr. Leger: He may just live in a farming district.

Hon. Mr. Aseltine: I live in a farming district, but not on a farm.

Hon. Mr. Haig: I still maintain that my friend is an agriculturist.

Hon. Mr. Aseltine: My friend from Winnipeg applies the same appellation to me as he did to another friend of mine not long ago. Perhaps I am one of those so-called agriculturists who make their money in town and spend it on the farm. The farmer makes his money on the farm and spends it in the town.

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Beaubien: May I ask my honourable friend a question? I understand that under the Act the people who grow wheat, oats, barley and rye pay one per cent of the sale price of their grain in order to carry the cost of operations under this Act, and the treasury puts up the difference between the farmer's contribution and the amount required.

Hon. Mr. Haig: That is right.

Hon. Mr. Beaubien: Does my friend mean to tell me that we farmers in Manitoba who never have a crop failure—

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Beaubien: —have to pay taxes so that a man who does not grow any of the grain I mention may receive certain payments?

Hon. Mr. Aseltine: That is right. Through this one per cent tax on the sale of wheat, oats, barley, and other grains, Manitoba has always paid more than the farmers in that province were entitled to receive by reason of crop failure.

Hon. Mr. Beaubien: We in Manitoba get gypped all the time.

Hon. Mr. Aseltine: Yes.

Hon. Mr. Paterson: But the farmers of Manitoba forget that they pay a great deal less for freight by reason of being near the head of the lakes.

Hon. Mr. Aseltine: Their freight rate is 8 per cent less than we pay from Saskatchewan; therefore they should pay more under this Act.

Hon. Mr. Beaubien: But we pay the same elevator charges as you do.

Hon. Mr. Horner: Then you had better keep quiet.

Hon. Mr. Aseltine: Perhaps I could convince my friend from Provencher (Hon. Mr. Beaubien) if I gave him a summary of part of the remarks of the Minister of Agriculture in another place. He said, in effect: We do not make payments to anyone because of the small or large amount of wheat he may produce on an acre of land. The Act simply says that the yield of wheat in a township is used for the purpose of determining whether that area has been dry or not. We do not make payments on the basis of the amount of wheat. A man does not need to grow any grain at all in order to qualify for payment; he may have nothing but grass land, with live stock running on it, and still be entitled to receive his payments under this Act.

Hon. Mr. Beaubien: Provided he has a certain amount of land under cultivation.

Hon. Mr. Aseltine: The minister does not say that.

Hon. Mr. Howden: Will the honourable senator tell me what the river farmers do about their crops?

Hon. Mr. Haig: They pay their share.

Hon. Mr. Aseltine: Do you mean, what do they pay?

Hon. Mr. Howden: No: how is it estimated? The river farms are not divided up into townships.

Hon. Mr. Aseltine: I am not in a position to give information with regard to that. Perhaps the leader of the government (Hon. Mr. Robertson), who sponsors this bill, can do so. In Saskatchewan and other parts of the West they do things on the square, not in such a longitudinal manner.

Hon. Mr. Beaubien: Sometimes you do; sometimes you don't.

Hon. Mr. Lambert: May I ask the honourable senator if ten bushels to the acre is not the basic yield?

Hon. Mr. Aseltine: Eight bushels.

Hon. Mr. Lambert: It says here ten bushels; ten or less, or eight or less?

Hon. Mr. Aseltine: It is eight or less now. To qualify for the payment of $1.50 on the two hundred acres your crop must be eight bushels or less. To qualify for $2.50 per acre on two hundred acres the yield in the township must be four bushels an acre or less.

Hon. Mr. Lambert: If the farmer has a crop of eight bushels to the acre he qualifies for the benefit; but is there any offset of the amount that he might salvage from the eight-bushel-per-acre crop?

Hon. Mr. Aseltine: He is entitled to the full payment. On more than one occasion I have advocated that qualification for payment should be reckoned on an individual basis. I am not so sure now that I was right in taking that position. The present bill goes about as far as could be expected. I should like to see it amended so that a farmer residing in a township where the low yield entitles producers to this payment would be disqualified from such benefits if his crop happened to be fourteen or fifteen or twenty bushels to the acre.

Hon. Mr. Lambert: There should be a sliding scale in the application of these benefits. For instance, if a man has eight bushels of wheat to the acre, at $2 per bushel he is receiving $16 per acre.

Hon. Mr. Aseltine: I do not know that anybody is getting $2 a bushel for wheat.

Hon. Mr. Lambert: Well, at Fort William.

Hon. Mr. Aseltine: At Rosetown we get $1.56½ per bushel for No. 1 wheat.

Hon. Mr. Lambert: And something more later.

Hon. Mr. Aseltine: But the total will not amount to $2; there are handling charges and other expenses, including the cost of running the Wheat Board. If the scope of this measure should be extended to embrace individual areas and enable the individual farmer to participate, no matter what area he is in, the provinces should be required to pay a share of the cost. At the present time the provinces contribute nothing; the farmers are charged 1 per cent, deducted at the source; the federal government pays whatever balance is required. I believe that $17 million is the estimate of the amount to be disbursed this year. Of this sum, two-thirds will be paid by the taxpayers and one-third will be collected from the farmers.

Hon. Mr. Lambert: That is the charge for this year.

Hon. Mr. Aseltine: Yes, for 1949. It will be noticed that clause 2 provides:

> This Act shall be deemed to have come into force on the first day of August, nineteen hundred and forty-nine.

That is, the beginning of the new crop year.

Hon. Mr. Lambert: I do not wish to divert the honourable member from his statement; but the figure of $17 million presented as the total estimate coincides exactly, I believe, with the amount which is being contributed by the government this year to subsidize the shipment of feed grains from Western to Eastern Canada.

Hon. Mr. Aseltine: What the honourable senator means is that the farmers in the East, as well as the farmers in the West, are being taken care of.

Hon. Mr. Lambert: That is what I wanted to bring out.

Hon. Mr. Aseltine: I am glad that the honourable senator mentioned that point. I should like to ask the leader of the government to furnish information to this chamber, or to the committee if this bill goes to committee, showing by provinces how much money has been paid to farmers of the Prairie Provinces pursuant to the Prairie Farmers Assistance Act, 1939, during the period the Act has been in operation. The statement to include disbursements in the present year.

Hon. Mr. Beaubien: You will find that Manitoba's share is small.

Hon. Mr. Aseltine: I believe that this year Manitoba had one of the largest crops in its history, and that few if any areas will need this assistance. I understand, however, that the honourable senator from St. Boniface (Hon. Mr. Howden) did not have any crop on his farm; and I sincerely hope that he will get his $300.

Hon. Mr. Paterson: Could the honourable senator make even a rough guess of the amount of acreage affected through having less than eight bushels?

Hon. Mr. Aseltine: I would have to do a problem in arithmetic.

Hon. Mr. Robertson: I will arrange to have before the committee someone who probably can answer the honourable senator's question.

Hon. Mr. Howden: I should like to pursue my interrogation a little further. It will not be news to honourable senators that in Manitoba a large amount of land is divided according to what is known as the river farm

system. The width of a lot is five chains, or 330 feet; its inner length may extend two miles, and the outer length two miles, making four miles of land only 330 feet wide. This was the original division of a river farm in the Red River and Assiniboia valleys. I have never heard any mention of the manner in which these farm lots were considered in relation to the Prairie Farm Assistance Act. Like my friend from Provencher (Hon. Mr. Beaubien), I own one of these farms, and I am curious enough to ask what provision has been made for them under this legislation.

Hon. Mr. Beaubien: I can give my honourable friend some information. It happened—in which year I have forgotten—that parts of the Red River lots were drowned out, and parts were hailed out. The damaged areas were inspected by officials employed under this Act, and a block of these lots was held entitled to compensation, and the farmers received the money. It was necessary, I understand, to provide for the payments, by order in council because the Act as it stood did not contemplate provision for an area of this kind. I think there is now in the act, a section which would take care of this situation.

Hon. W. A. Buchanan: I do not want to prolong this discussion, and I am not rising to oppose this measure. In fact, because I am familiar with conditions which exist in the areas to be benefited by this bill, I am in favour of it. I do, however, want to offer some constructive suggestions in the hope that the day will arrive—I do not look for it in my lifetime—when the greater use of irrigation throughout western Canada will overcome the necessity for measures of this kind. I remember how much my honourable friend from Saltcoats (Hon. Mr. Calder) was impressed when he visited southern Alberta in 1919, one of the driest years in western Canada, particularly in Alberta. He travelled across many miles of almost complete desert land before coming upon an irrigated section which was producing many varieties of crops.

The areas benefiting from irrigation do not require assistance from this Act. In past years certain areas close to my home city had to appeal for help because in some seasons they were drifted out and in others they were dried out. Today, because the land has been irrigated, these same areas are producing immense wealth. They are producing sugar beets and vegetables for the local canneries, and are also providing feed for livestock. The transformation of dry to irrigated land will take place slowly, but eventually the need for assistance of the kind provided under this bill will be unnecessary.

At times one hears complaints that too much money is being spent to help the farmers of Western Canada because of the misfortunes they face. It is true that vast sums are spent for this purpose, but I do not want anyone to believe that the farmers are responsible for this situation. If the blame can rest anywhere, it must be with the governments who were in power during the days when these lands were first settled. The pioneer settlers were told that these were good farmlands, and they were encouraged to settle there. It is true that they had wonderful crops some years, but they certainly had their bad times. For instance, I recall that when I was a member of another place I received appeals for help from the people of southeastern Alberta. This was in the years 1911-12-13, one of the worst dry periods in the history of Western Canada. Then, in 1914-15, a year or so later, I received appeals for aid in the transport of grain from that country, because there was insufficient elevator accommodation there to handle the grain. Tremendous wealth produced in two or three years will offset the losses incurred in other years; there will be both good and bad crop years, and this uncertain situation will continue.

One often hears the comment that our farmers should be removed from these particularly bad dry areas. But where could they go? I remember that a number of Saskatchewan farmers moved into an irrigated district south of Brooks, where after a few years of residence they became prosperous. But irrigation has not spread sufficiently to enable the re-settling of large numbers of farmers from dry areas. It must also be borne in mind that modern agricultural communities, such as Swift Current, Saskatchewan, have been brought into existence: some years they have rich crops and other years they have lean crops; but once the people move from the land and it is non-productive for several years, the community is destroyed.

Honourable senators, my thought is that wherever possible irrigation should be put into these dry areas, not only to make the country more productive but to protect the investments of the people who settled there. It is a slow process indeed to irrigate the land, but eventually irrigation will solve this problem of assistance to farmers in dry areas. The areas I mentioned earlier are today producing great wealth. It may have cost a lot to establish these irrigation systems, but as the years go by the return will be greater than would otherwise have been possible.

While I do not object to the measure before us, I am hopeful that the time will come when parliament will not have to give this type of

assistance, but will provide funds for irrigation wherever it is needed on the plains of Western Canada.

Hon. R. B. Horner: Honourable senators, I am in favour with this bill and its amendments because the benefits go to the man who is actually on the land. My honourable friend from Rosetown (Hon. Mr. Aseltine), like those persons mentioned by the leader of the government (Hon. Mr. Robertson), is an agriculturist who owns land and rents it; but this legislation will only benefit the man who works the land.

When the Prairie Farm Assistance Act was first adopted it was hoped that the one per cent levy on the sale of all grains would pay the entire cost; that it would create a sufficient fund to take care of all losses in the future. The damage this year has been quite extensive, and the one per cent is not enough to cover the losses. I can understand why it is the wish of some farmers that this measure be narrowed down to apply to individual farms, but honourable senators will realize the impossibility of such a system, for in a community there might be one farmer who would persist in seeding his land with a second, third and fourth crop, putting it in at little expense, in the hope of getting the whole bonus.

Hon. Mr. Quinn: He would be dishonest.

Hon. Mr. Horner: There are only very few of these people, but I do recall one man telling me all about the seeding he had done—and he wanted me to get the government to apply the bonus to the individual farmer.

I may say that there are a great many river lots in northern and southern Saskatchewan, and this fact was one of the causes contributing to the Riel Rebellion. The people who settled there were determined to keep their land in lots leading down to the river, but the surveyors had other ideas. The resulting quarrel was one of the main causes of the rebellion.

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

THIRD READING

Hon. Mr. Robertson: I am quite willing that the bill should go to committee, if honourable senators so require. Otherwise I move the third reading.

Hon. Mr. Haig: It is not necessary to send this bill to committee.

Hon. Mr. Aseltine: The information I asked for is not important enough to warrant a delay in passing the bill. I simply wanted to be informed as to the exact distribution of the money in the three Prairie Provinces over the years, but I can get that information at another time.

Hon. Mr. Robertson: I sympathize, as I am sure senators from Saskatchewan do, with the people of Manitoba who have had such bountiful crops that they have paid levies and have not been able to collect anything in return.

Hon. Mr. Horner: We envy them.

Hon. Mr. Robertson: They are something like the man who has been paying fire insurance premiums for a long term of years and has never been fortunate enough to have a fire. Perhaps the senators from Manitoba would like to get together and pray for a crop failure.

Hon. Mr. Haig: Nothing doing!

Hon. Mr. Beaubien: The point I wanted to have cleared up was whether I am taxed on the sale of my cereals to pay a farmer in any dried-out area who does not grow any cereals at all.

Hon. Mr. Ross: If he does not grow any cereals he is not a farmer, but a rancher. And the ranchers as well as the farmers will suffer from dry weather.

Hon. Mr. Beaubien: Let the ranchers be taxed, then.

Hon. Mr. Paterson: Honourable senators, I withdraw my question about the acreage, if it would delay passage of the bill.

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

JUDGES BILL

SECOND READING

On the Order:

Second reading, Bill 65, an Act to amend the Judges Act, 1946.—Hon. Mr. Robertson.

Hon. Mr. Robertson: Honourable senators, I have asked the honourable gentleman from Carleton (Hon. Mr. Fogo) to handle this bill.

Hon. J. Gordon Fogo moved the second reading of the bill.

He said: Honourable senators, this is a simple bill and it is not my intention to make any lengthy remarks with respect to it. It follows more or less naturally on an amendment that we made earlier this session to the Supreme Court Act, whereby the number of judges of the Supreme Court of Canada was increased by two and the Court was made the final court of appeal for this country.

In keeping with the importance of our final court of appeal, it is desirable that the persons appointed as Judges in future shall be, like

the present members of the Court, of the highest professional status and attainments, eminent at the Bar of the provinces in which they respectively have practised. When lawyers of this class accept appointment to the Supreme Court Bench they necessarily make some financial sacrifice. Besides, they must give up their business interests and sever social and family ties in their own communities, for they are required to live at Ottawa.

The first section of the bill provides for an increase in the salary of the Chief Justice of Canada from $20,000 to $25,000 per annum, and for an increase in the salaries of the puisne judges, from $16,000 to $20,000.

Hon. Mr. Haig: Will the honourable gentleman permit a question? What pension is payable to these judges when they reach the age of 75?

Hon. Mr. Fogo: I am not sure, but I think the pension is the same as the full salary.

Hon. Mr. Haig: It is three-quarters of the salary, is it not?

Hon. Mr. Robertson: I believe it is two-thirds.

Hon. Mr. Aseltine: May I also ask a question? How do these proposed salaries compare with the salaries of judges doing similar work in Great Britain and in the United States?

Hon. Mr. Fogo: My recollection is that the judges of the Privy Council are paid £5,000 per annum. The Associate Judges of the United States Supreme Court are paid, I believe, $25,000, but the salary of the Chief Justice is more than that. That court would be comparable to our Supreme Court.

The second section implements recent Ontario legislation which increased the number of Justices of Appeal in that province from seven to nine and the number of Judges of the High Court from fourteen to sixteen. The section provides for their salaries on the same basis as the salaries of the present members of the Ontario court, $12,000.

The third and last section of the bill has application only to the province of New Brunswick. At present the Judges Act provides for travelling allowances for a judge who resides at the city of Moncton, but provincial legislation has recently been amended to authorize the residence of two judges in that city. This amendment will make possible the payment of travelling allowances to two judges who live in Moncton or in the immediate vicinity and are required to hold court from time to time at other cities in the province as well.

I do not think any further explanation of the bill is necessary.

Hon. Mr. Quinn: Can the honourable gentleman tell me why the designations of judges in New Brunswick and Nova Scotia are different from those in other provinces?

Hon. Mr. Fogo: I should say that the designations in New Brunswick and Nova Scotia are the same as those that existed prior to confederation. After 1867 the provincial courts continued to function as they had before, and they carried with them their old names. If there has been any change in designation since then, it has been brought about by the provinces themselves, for the constitution of the courts is a matter within provincial jurisdiction.

Hon. Thomas Reid: Honourable senators, I do not suppose that anything I have to say will affect the bill at all, but I am one of the few who is a little uneasy at seeing an increase in judges' salaries at this time. I know we all have to live, but I think every honourable senator will agree with me when I say that there has never been any difficulty in finding competent men to accept judgeships as vacancies occur, and there is always a lot of wire-pulling before the vacancies are filled. Certain individuals are always willing to give service to their country for the high honour that comes to them from this position. I have in mind the honourable Prime Minister of this country, who could fill the office of a judge with distinction, but is performing a greater function at a total cost to the country of $18,000 a year.

I think we should be very careful about increasing salaries, as we propose to do at this time, especially when we appear to be headed towards considerable unemployment. Many of us have served the country in such a capacity as member of a school board, for instance, without remuneration. I do not suggest that judges should serve without pay, but I view with some alarm a salary increase of as much as $5,000, as proposed by this bill.

Hon. John T. Haig: Honourable members, I do not intend to try to answer anybody's questions on this subject, but I think we should consider the proposals contained in this bill in the light of what judges received up to about 1940. At that time the Chief Justice of a superior court of a province received about $10,000 a year, and the puisne judges got approximately $9,000. The Chief Justice of the Supreme Court of Canada received, I think, $15,000 and the puisne judges $12,000. Those were considered low salaries.

As a practising lawyer I say candidly that when one goes before a good judge he is sure of a fair hearing and a sound judgment. I

say emphatically, though all honourable members may not agree with me, that freedom in our country can be maintained only by appointment to the courts of the most able and experienced men available.

Hon. Mr. Beaubien: Hear, hear.

Hon. Mr. Haig: A strong judiciary is our best guarantee of freedom. In the Supreme Court and the Court of Appeal in Manitoba, which I use as a criterion, our judges with a few exceptions—and even they turned out better than some people thought they would —have been of a very high class. It is interesting to note that no judge of any provincial superior court has ever been impeached, and no attempt has ever been made by parliament to impeach one. The county court judges can, of course, be dealt with by the cabinet.

A judge of the Supreme Court of Canada, who retires at seventy-five years of age, gets a pension for the rest of his life of three-fourths of the salary he was receiving at the time he retired. That means that a judge whose salary is $20,000 a year would be superannuated on an income of $15,000.

Hon. Mr. Barbour: Does he not get more if he serves twenty-five years?

Hon. Mr. Haig: No. A member of the Supreme Court of Canada gets seventy-five per cent of his salary. A judge who retires from a provincial superior court after fifteen years' service gets two-thirds of his salary, but he cannot retire earlier without the consent of the government.

Hon. Mr. Quinn: What pension does he get if he resigns?

Hon. Mr. Haig: He may retire for reasons of ill health, and under those circumstances no government has ever refused to give a pension. But after a term of service of fifteen, twenty or twenty-five years a judge may retire, provided the government agrees, and he will receive two-thirds of his salary. A judge retiring from the Supreme Court of Canada gets three-quarters of his salary.

We must consider the income tax which has been in effect since 1941. I can name many men who in private legal practice make more than $20,000. We must bear in mind that a judge has to live up to a certain standard—I do not mean spend money foolishly—and pay his income tax; and he must have enough money left to live on, so that he will not be tempted by bribes or anything of that sort.

The man who has an income of $40,000 pays, under present regulations, an income tax of approximately $16,500, which leaves him a net income of $23,500. That is a little more than the total amount paid to a puisne judge of the Supreme Court of Canada. Yet that man probably will not have to live up to the same high standard that is expected of a judge. How long it would take him to save enough money to provide him with an income of $15,000 a year after he is seventy-five years of age is another matter.

I am favourably impressed by the record of the judiciary in Canada, and I do not say that just because I am a lawyer. I would not care to be a judge. Frankly, I would not resign my senatorship to become a judge.

An Hon. Senator: You would make a good one.

Hon. Mr. Buchanan: Why not?

Hon. Mr. Haig: In the first place, I am too old; and in the second place, I would not like the job. I prefer to be my own boss and to run my own business.

Hon. Mr. Aseltine: You have the judicial temperament.

Hon. Mr. Haig: The trouble is that I have not. My honourable friend knows how I perform on the divorce committee. There are men who have the peculiar qualifications that make them able judges. With the indulgence of the house I shall tell a story about a certain man which illustrates the qualities which make a good judge. We had in the province of Manitoba a man by the name of Taylor, a veteran of the First World War, who fought all through France. In the year 1922 I was to address a meeting in northern Manitoba. The people in that area were all against the Conservative party.

Hon. Mr. Beaubien: They still are.

Hon. Mr. Haig: And they said "If that man Haig ever comes here to hold a meeting we will run him out of town". When I went to the place where the meeting was to be held, five or six returned boys met me at the door and asked, "Are you Mr. Haig?" I replied that I was. They said, "You are going to have a bad night here". I said, "All right; I am here first". They then said, "If things get so bad that you can't take it, just call out 'Taylor, come to the rescue', and there will be fifty of us at your service. We are all going to vote Liberal, but nobody can do anything to Taylor's men". These were young men whom Taylor had led in France.

He was later appointed to the bench, and he brought with him that characteristic which only experience can give. He understood the plight of the ordinary man or woman who might come before him, and the ability to do that was a wonderful quality on the bench.

Several men of this type are on the bench in Manitoba and, I presume, elsewhere in Canada.

I am in favour of the increase. I know it is considerable. I know too whoever is chosen for a judicial appointment, that it will be said that some other lawyer just as good could have been found. Of course there could have been, but all lawyers cannot be judges.

Hon. Mr. Beaubien: What will be left to these judges after they have paid their income tax?

Hon. Mr. Haig: They will not have so very much. The Chief Justice, with a salary of $25,000, will pay about $9,000 in income tax.

Hon. Mr. Beaubien: Which would leave him about $15,000?

Hon. Mr. Haig: About $16,000. I do not want to mention the name, but about two years ago a British Columbia lawyer whose earnings I have reason to believe, were about $60,000 a year, was appointed to the bench. He accepted the appointment because he wanted to give public service.

Canada should pay her judges good salaries. The judges are the people chosen to administer justice in this country, and the better men they are the better the administration will be. Much of our freedom is based on the judgments of our courts. I have been a member of the Bar for forty-five years, and I have never known any member of our high courts of Manitoba whom I could not trust to the limit. I have appeared both for plaintiffs and defendants; I know Winnipeg lawyers, and their general feeling is that the courts have administered even justice, have given fair play.

Hon. Mr. MacLennan: That is true in every province.

Hon. Mr. Haig: I have no doubt it is. Unfortunately I know only Manitoba.

Hon. Mr. MacLennan: I know Nova Scotia.

Hon. Mr. Haig: I wanted to make this public acknowledgment of the service that the judges are giving to our country.

At one time anxiety was expressed about the standing of the Supreme Court in another country. We know that the late President Roosevelt tried to pack the Supreme Court at Washington, and that even death helped him in his designs. But the concern expressed reflected the feeling in the public mind about the power of that court. Our court has been given new powers through the amendment of the constitution. The responsiblities which are being added to that Bench will make its members even better men than they are now. So, speaking as an individual, not as leader of the Progressive Conservative party, but as a lawyer who knows something about the business with which courts have to deal, I must say I am very glad the government has recognized the importance of our judiciary.

Hon. Mr. Aseltine: I agree pretty well with everything my leader has stated. There is however, one matter to which I think attention should be given. All over Canada a great deal of confusion is evident with regard to this name "Supreme Court". We have a Supreme Court of Alberta, a Supreme Court in other provinces, a Supreme Court of Canada. The names of courts in the provinces which use this term should be changed. There should be only one Supreme Court, so that when a layman hears "Supreme Court" mentioned he will know that it is the Supreme Court of Canada that is referred to—the highest court in the land.

Hon. Mr. Beaubien: Is not the highest court in Manitoba called the Court of Appeal?

Hon. Mr. Haig: There is a Court of Appeal and a Court of King's Bench. In Manitoba the term "Supreme Court" is not used.

Hon. Mr. Aseltine: Saskatchewan has a Court of King's Bench and a Court of Appeal, but there is a Supreme Court not only in Alberta but in British Columbia and Nova Scotia as well. I think something should be done so that the ordinary man on the street may know what is being referred to when we talk about the Supreme Court.

Hon. Mr. Leger: We in the Maritimes speak of the "Supreme Court of New Brunswick" and the "Supreme Court of Canada", so there is no confusion.

Hon. Mr. Horner: Speaking not as a lawyer, but as a layman who, I hope, will never appear before any judge, I am inclined to agree with the honourable senator from New Westminster (Hon. Mr. Reid). I would be opposed to an increase of salaries unless there is difficulty in obtaining judges. A few years ago, as I sat here and listened to expressions of sympathy with school teachers because of the small pay they were receiving, my mind went back to the teacher who first taught me, and who received a stipend of $14 a month. I reflected that if she had been getting a million dollars a year she could not have done any more than she did.

Hon. Mr. Quinn: She did a good job on you.

Hon. Mr. Horner: She did the best job she could. It is true of every individual, no matter what his occupation, that if he is not naturally fitted for the work he is doing, the salary won't make him better. The money

return has nothing to do with it; there must be a love of or aptitude for the particular job. Often it is true that the more you pay the less you get.

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: Now.

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

INDUSTRIAL DEVELOPMENT BANK BILL

SECOND READING

Hon. Wishart McL. Robertson moved the second reading of Bill 210, an Act to amend the Industrial Development Bank Act.

He said: Those who were in the house in the early part of this year will remember that this bill was before us at that time.

Hon. Mr. Haig: And was passed.

Hon. Mr. Robertson: And was passed, but it fell by the wayside because of the early dissolution. It has come up again this year, having been started in the House of Commons, but since it contains two or three provisions which were not in the previous bill, and for the benefit of honourable senators who were not here earlier in the year, I propose to make a brief explanation of the measure as it originally stood and of the additions which have since been made.

The Industrial Development Bank Act was passed by parliament in 1944. The objective of the Act is to assist business enterprises of a certain nature which cannot secure from ordinary sources the capital necessary for the commencement or expansion of operations. Even though these enterprises have a very reasonable expectation of success, they very often cannot obtain necessary capital at reasonable rates or on reasonable terms. Chartered banks are not allowed to advance money for such expansion. Because of this, the Industrial Development Bank is in no way in competition with them. Other institutions which might lend money to such enterprises find it necessary to charge such rates and impose such terms as make it impossible for the enterprises to borrow the money. The Industrial Development Bank, therefore, functions in a field that has never before been occupied by any lending institution. The number of loans made, and the success of the businesses involved, are ample proof of the need for such services.

Up to September 30, 1949, the bank had dealt with 1,960 applications for financial assistance. Of these, 613 were withdrawn because the applicant got credit elsewhere, or for other reasons, and 657 were refused as being unjustifiable risks. Six hundred and ninety loans were authorized, for a total amount of $46,341,210. Of these loans, 437 were still on the books of the bank on September 30 last. The total portion of these loans remaining unpaid is $23,573,729; the bad debts on them have been very small, amounting to only $34,340 as of September 30, 1949.

The Industrial Development Bank was set up as a subsidiary of the Bank of Canada, its share capital being authorized at $25 million. The bank is permitted to issue debentures, not guaranteed by the government, to a maximum of three times its capital and reserve, but none of these debentures have yet been issued.

Of the total credit of at least $100 million that is available to the bank for loans, only $15 million can be applied to loans exceeding $200,000. This limitation is set out in subsection 2 of section 15 of the present Act. It was originally thought that the bank would limit its loans to enterprises that required $200,000 or less for capital expansion. This worked out satisfactorily for a time, but the price of capital goods and capital construction has increased materially since the Act was passed. The bank has found recently that its requests for loans in excess of $200,000 have shown a sharp rise, the greater part of this increased demand for higher loans being caused by the higher price of capital goods and construction, to which I have already referred. In 1944 these enterprises could have carried out their capital needs on less than $200,000, but now they require more. For this reason the bank is seeking an increase in the amount of money that it can apply to loans of over $200,000, and it proposes that the amount be increased from $15 million to $25 million. This increase would not affect loans of less than $200,000, because at least $75 million would be available for this purpose.

As I mentioned at the beginning, this amendment was passed by the Senate last session. It was discussed at considerable length on second reading, and was referred to the Standing Committee on Banking and Commerce, where Mr. Towers and other appropriate officers appeared and gave evidence. I believe that the majority of members at that time were well satisfied with the information obtained.

The bill now before us proposes three amendments that did not come before the house last session. The first of these is purely procedural in nature. Some confusion has existed as to whether actions for and against the bank should be taken in its name or in the name of His Majesty. Therefore, it proposes to resolve this difficulty. Section 1 of the bill provides that such actions may be taken in the name of the bank.

Section 2 of the bill, in addition to increasing the amount available for loans exceeding $200,000, embodies two other amendments. Up to the present time a person applying for a loan has had to establish objectively that he was in or was about to be engaged in an industrial enterprise as described in the Act, and a court was the only body which could finally decide this question. The amendment would permit the bank to make a loan available if the applicant, in the opinion of the Board of Directors, was in or about to be engaged in an industrial enterprise. The other amendment contained in this section would permit the bank to loan money even if another party has loaned or is about to loan money to the same enterprise, provided that the bank can assure itself that its loan has priority over such other loan.

Section 3 of the bill clarifies the Act as it applies to the province of Quebec. It states definitely that the bank may hold hypothecated property, which is peculiar to that province.

Hon. Mr. Quinn: Is any Canadian citizen eligible for a loan from this Industrial Development Bank?

Hon. Mr. Robertson: I would presume so, if he satisfies the requirements relating to the nature of the enterprise.

Hon. Mr. Quinn: I thought it might be restricted to war veterans.

Hon. Mr. Robertson: Oh, no.

Hon. Thomas Reid: Honourable senators, I do not wish to delay this bill, but I should like to ask the honourable leader (Hon. Mr. Robertson) two questions that come to mind. I well remember that when the bill came before another place assurance was given that great encouragement would be given to small industries starting up, and also that there would be no sectionalism in the providing of loans. What is the smallest loan that has been made by the bank? It would be interesting to know, too, just where the loans, generally speaking, have been located.

Hon. Mr. Robertson: I am not in a position to answer my honourable friend from New Westminster (Hon. Mr. Reid), but I am quite willing to have this information supplied in 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 Banking and Commerce.

The motion was agreed to.

PROROGATION

INQUIRY

On the motion to adjourn:

Hon. Mr. Haig: Has the honourable leader any information as to when we may reach prorogation?

Hon. Mr. Robertson: I have no advice on this matter from governmental sources. Probably the only answer I can give is that governments start sessions and oppositions end them.

The Senate adjourned until Monday, December 5, at 8 p.m.

THE SENATE

Monday, December 5, 1949

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

Prayers and routine proceedings.

THE LATE SENATORS PENNY AND COPP

Hon. Wishart McL. Robertson: Honourable senators, before the business of the house is proceeded with, it is my sad duty to have to announce that since we last met we have lost two of our esteemed colleagues. The Honourable Senator Penny died on Sunday morning, and I have just been advised that the Honourable Senator Copp passed away in Newcastle shortly after 6 o'clock this evening. At the beginning of the sitting tomorrow afternoon I shall refer again to the unfortunate passing of these honourable members.

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION BILL

FIRST READING

A message was received from the House of Commons with Bill 213, an Act respecting the Department of Citizenship and Immigration.

The bill was read the first time.

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

Hon. Mr. Robertson: I would like to have this order placed at the end of today's Order Paper, so that it may come up in the ordinary course of events later this evening.

Some Hon. Senators: Agreed!

The Hon. the Speaker: With consent, it is so ordered.

SALARIES BILL

FIRST READING

A message was received from the House of Commons with Bill 214, an Act to amend the Salaries 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 the consent of the house I should like to follow the same procedure with respect to this bill, and have it placed at the end of the Order Paper, for consideration later.

Some Hon. Senators: Agreed!

The Hon. the Speaker: With consent, it is so ordered.

DOMINION-PROVINCIAL TAX RENTAL AGREEMENTS BILL

FIRST READING

A message was received from the House of Commons with Bill 215, an Act to amend The Dominion-Provincial Tax Rental Agreements Act, 1947.

The bill was read the first time.

VETERANS' LAND BILL

FIRST READING

A message was received from the House of Commons with Bill 218, an Act to amend The Veterans' Land Act, 1942.

The bill was read the first time.

EMERGENCY GOLD MINING ASSISTANCE BILL

FIRST READING

A message was received from the House of Commons with Bill 219, an Act to amend The Emergency Gold Mining Assistance Act.

The bill was read the first time.

CANADIAN VESSEL CONSTRUCTION ASSISTANCE BILL

FIRST READING

A message was received from the House of Commons with Bill 216, an Act to encourage the Construction and Conversion of Vessels in Canada.

The bill was read the first time.

FISH INSPECTION BILL

REPORT OF COMMITTEE—CONSIDERATION POSTPONED

Hon. J. A. McDonald presented the Report of the Standing Committee on Natural Resources on Bill 63, an Act respecting the Inspection of Fish and Marine Plants.

He said: Honourable senators, the committee have in obedience to the order of reference of December 1, 1949, examined the said bill, and now beg leave to report the same with several amendments.

(The amendments were then read by the Clerk Assistant.)

1. Page 3, line 19: Delete "suspects" and substitute "believes".

2. Page 5, line 19: After "17." insert "(1)".

3. Page 5: Add the following as sub-clause 2 to clause 17.

"(2) Every inspector appointed for the purpose of this Act shall, previous to his entering upon the duties of his office, take and subscribe to the following oath:

I, of in the county of in the province of do swear that I will faithfully and honestly execute the office and trust committed to me of (name the office), and that I will not either directly or indirectly, engage in or

in anywise carry on the business of trading or dealing in fish or marine plants during my term of office as
So help me God."

The Hon. the Speaker: When shall these amendments be taken into consideration?

Hon. Mr. McDonald: Tomorrow.

DOMINIONS LANDS ACT REGULATIONS

NOTICE OF MOTION

Hon. Wishart McL. Robertson: Honourable senators, tomorrow I will give notice that:

regulations made by the Governor in Council under authority of the Dominion Lands Act, Chapter 113, R.S. 1927, which were published in the *Canada Gazette* on the 21st day of May, 1949, and the 23rd day of July, 1949, in accordance with the provisions of Section 75 thereof and which were laid on the table on the 20th day of September, 1949, be approved.

As the motion states, these regulations were tabled on September 20, for the information of honourable members who wished to familiarize themselves with them.

TEMISCOUATA RAILWAY BILL

SECOND READING

On the Order:

Second reading, Bill 145, an Act respecting the acquisition of the Temiscouata Railway.—Hon. Mr. Robertson.

Hon. Mr. Robertson: I have asked the honourable gentleman from Kennebec (Hon. Mr. Vaillancourt) to handle this bill.

Hon. Cyrille Vaillancourt moved the second reading of the bill.

He said: Honourable senators, this bill seeks approval of an agreement entered into between His Majesty the King and the Temiscouata Railway for the purchase of that railway. It also authorizes the Minister of Finance to pay a sum not exceeding $480,000 for its purchase. In 1948, it having become evident that the railway could not continue operation much longer under existing conditions, the government authorized the Canadian National Railways to enter into negotiations for the purchase of the Temiscouata Railway at a price not exceeding half a million dollars. The owners, represented by the bondholders in England, called a meeting of the shareholders of the committee, and the sale of the railway was approved by that meeting. The Canadian National Railways were successful in negotiating a price of $480,000, a sum $20,000 less than had been authorized, and on October 14 this year the Government of Canada signed a purchase agreement for the railway at that price.

The Temiscouata Railway was opened for traffic in 1889 and in 1891 an extension of the railway was completed. The original railway and the extension run from Riviere du Loup to Moncton, New Brunswick and thence to Connors, New Brunswick. The total mileage of the railway, including 11·9 miles of running rights over the Canadian National from Edmundston to Baker Brook, is 113 miles. Thus the total mileage owned is almost exactly 101 miles. The railway also has sidings and other tracks to a total of 9·3 miles.

The line serves approximately 38,000 people, 17,000 of whom are also served by other lines. A number of lumber mills are located along its route. The Fraser Company has a large mill at Cabano, producing approximately 10 million feet of lumber annually. The other mills are smaller, but there are several of them. From Edmundston to Connors the railway serves a fertile farming area. Abandonment of operation of the railway would create serious complications in the economy of the area served and it is considered essential in the national interest to keep the railway in operation.

Honourable senators, no doubt, will be primarily interested in the financial structure of the line. It has not got the same kind of financial structure as the Canadian Pacific or the Canadian National. The authorized capital is $1 million, all of which has been issued, although only one share of $100 has been paid up. Added to that is an issue of 5 per cent consolidated mortgage income bonds, amounting to £584,948. At the time of issue these bonds were worth $2,856,336 but at the time of purchase of the railway they were valued at $2,362,000. No dividends have been paid on the capital stock since issue. Since 1930 interest has not been paid on the bonds, and prior to that time it was only partially paid.

The inability of the railway since 1930 to meet its obligations on capital account, is well reflected in its annual financial statements. In 1943 its net income was only $208; in 1945 there was a deficit of $272, and in 1947 the net income was $1,161. In the years I have mentioned revenues from the shipment of forestry products contributed more than 80 per cent of the receipts of the company.

The railway has continued to operate only because its employees have been willing to accept subnormal wages. The average number of employees in 1948 was 144, with a total payroll of $258,702. Had the wage rate of the Canadian National Railways been in effect, the payroll for that year would have been $399,490—an increase of $140,000, or 54 per cent.

In addition to this indirect assistance by way of low wages, the line has been receiving help from the Canadian National Railways and the Canadian Pacific Railway. In 1948 the Canadian National Railways contributed $49,125 and the Canadian Pacific Railway granted $24,275, or a total of $73,400. These sums were paid for special divisions of revenue, and for per diem assistance on equipment.

In 1948 the Temiscouata Railway Company indicated that at present traffic levels it would be unable to operate and maintain the line in a safe condition; that if something were not done the railway would have to be abandoned and the company realize what salvage it could.

I would point out that the bondholders are being paid off at considerably less than 25 per cent of the face value of the bonds, and that the current assets of the railway exceed liabilities by more than $137,000. Also the Canadian National Railways estimate that the scrap value of the railway is about $240,000. The total assets therefore amount to $377,000. It will be seen that the amount being paid per mile of track is very small when compared with previous purchases of this type of railway. Conditions similar to those existing in the case of the Temiscouata Railway prompted the government to purchase other lines in Nova Scotia, New Brunswick and Quebec. The amount paid per mile for those railways was much in excess of the amount now being asked.

This is a small railway, but it is necessary that it be maintained to serve the people in that area. For the Canadian National Railways it is not a bad venture, because this railway serves as a connecting link between two of its lines, and will save many miles in the transportation of freight between the Maritimes and Quebec.

The government's policy in enabling this railway to operate may be compared with the service given by the Post Office. It is obvious that the few pieces of mail handled at an outlying post office, say on the north shore of Labrador, does not compensate the government for the services it gives. I feel that if we are to continue the development of our country from the standpoint of the products of our farms and forests, it is a good thing for the Canadian National Railways to take over this line.

Hon. John T. Haig: Honourable members, I can appreciate the difficulty the government faces in connection with this railway. I am not opposed to the bill, but my hope is that the Canadian National Railways will not be charged for this line. The time has come when we must get the Canadian National Railways on a proper basis of value, and then tell the management that its operations must be made to pay. That railway is now going behind some $49 million or $59 million a year, and if we load this "warm baby" on it, it may show a deficit of as much as $69 million a year. It is not fair to the management of the Canadian National Railways to ask them to assume such a line as we are now considering, and to tell them to make a success of it.

This is perhaps as good a time as any to say something about railways generally. Perhaps I will not be thanked for what I am about to say, but I will say it anyway. I cannot understand how wages and other costs of a railway can be increased without raising rates. I have not been able to get a clear answer to that problem. I can understand that the Temiscouata Railway must continue to operate. There are people and industries in that area that must be served, but it is not fair to put this load of $480,000 on the Canadian National Railways. It is said that one should not look a gift horse in the mouth; but I should think that if Donald Gordon, the new chief of the Canadian National system, looked this horse in the mouth, and examined what has happened over the last five years, he would get quite a shock.

I am one of those who believes that the sooner we face Canada's railway problem realistically, the better it will be for everybody. The people of this country must appreciate the cost of railway operation. I have followed as carefully as I could the investigations which have taken place before the Board of Railway Commissioners during the past two and a half years. It shocked me to hear the people who opposed the railway rate increases get up and say, "We will take the Canadian Pacific as a standard upon which to base the rates, and we will not consider the Canadian National Railways at all". Now I see that someone in Alberta, I believe, has suggested that the government subsidize the railways so that they may have a balanced budget. We as Canadians, and especially as senators, ought to state some plain facts about the whole railway situation.

Hon. Mr. Howard: Hear, hear.

Hon. Mr. Haig: We are one class of people who can truly appraise the situation.

I do not suppose any members of this house are foolish enough to own stock in a railway company. If they are, they should take the advice of one who does not know too much about values generally, and get rid of their stock as quickly as they can. Having said that, the road is clear—none of us own any railway stock.

Seriously, it seems to me that the whole system of railways should be viewed realistically, and the people of Canada should be told what is happening. The Canadian National Railway should be put in a position to compete reasonably and fairly with the other great transportation system; it should not be so burdened with debt as to be compelled to give a second-class service. While I have no proof of what I am about to say, and may be taken to task for saying it, I am persuaded that a company with deficits running from $25 million to $40 million a year cannot be managed—at least I could not manage it—as economically as if there were a clear-cut obligation on the management to balance its budget. Today no one would accept the presidency of the Canadian National Railways subject to an undertaking to balance its budget. It could not be done. You may say that it was done during wartime, but in those years there was an extraordinary volume of traffic. If one rode on passenger trains between here and my home city, it was necessary to stand two hours to get in a dining-car, and to apply two weeks in advance to be sure of even an upper berth. In those days two or three trains were moving between Ottawa and Montreal every evening, and the line of freights was almost endless. But those times have gone, and unless there is another war they will not return.

I make no accusation on this score against the government, but it is a fact that they are not charging interest on advances to the road other than by way of capital invested in railway equipment and improvements.

I would strongly recommend that this house apply itself next session to a study of this railroad problem. I believe that thereby we could make such a contribution to the nation's economic wellbeing as can be made by no other body. Our study of income tax law resulted in some valuable recommendations, and while the government were reluctant for a year or two to accept them—for which I blame officials rather than ministers—the law was subsequently amended in accordance with our proposals. A similar opportunity is open to us in connection with the railways. We should assemble the facts governing, for instance, the entire financial structure of both the Canadian National and Canadian Pacific Railways, and say what in our opinion could be done about it. We could not be accused of prejudice in the matter, because, as I have suggested, none of us own any stock in the Canadian Pacific Railway, and no Canadian National stock is on the market. There are in this house men and women who possess the experience necessary to solve this problem.

In the Prairie Provinces the subject of transportation is a very important and controversial one. We have no system of waterways through which rates might be reduced, nor have we the density of population and the volume of traffic which would help to this end. With the aid of the rest of Canada, and for the purpose of providing a cheaper route to world markets for our grain and cattle, a line was constructed to Fort Churchill. I never believed that it would be economically successful, and it never has been. Some day, perhaps, with the provision of new aids to navigation, conditions will improve, but there is no sign of improvement at the present time. Our grain, cattle and hogs must be taken down to the water-front at Fort William. When wheat is selling at one and a half to two dollars a bushel and beef cattle are running at $200 a head, the transportation charges can be met; but when the price of wheat falls to 75 cents a bushel and cattle sell for about $50 a head, the burden on the producers is very serious. So if we are to give these people a break, we must try to solve this railroad problem. I do not favour subsidies. I think our business is not to set a rate but to determine the fundamental facts of the railway situation, so that the people of Canada can decide in the light of those facts what should be done.

I shall vote for the bill, but with my eyes wide open. We are certainly handing another "lemon" to the Canadian National Railways.

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. I so move.

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

CANADIAN NATIONAL RAILWAYS FINANCING AND GUARANTEE BILL, 1949

SECOND READING

Hon. Wishart McL. Robertson moved the second reading of Bill 148, 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 1949, and to authorize the guarantee by His Majesty of certain securities to be issued by the Canadian National Railway Company.

He said: The bill before us—and honourable senators will recall that a similar one

comes before us each year—proposes to do three things. It would authorize the Canadian National Railway to issue securities to the value of $19,766,890 in order to cover necessary capital expenditures in the calendar year 1949. It would also authorize the Minister of Finance to advance certain money to the railway in order that it may meet its current obligations that will result because revenues are not sufficient to meet expenditures. The third thing the bill would do is to authorize the Minister of Finance to advance money to Trans-Canada Air Lines in the event of their expenses being greater than their revenue.

Sections 2 to 9, inclusive, of the bill, deal with the first proposal I have mentioned, namely, to authorize the railway to issue securities to cover capital expenditures. When this year's budget of the Canadian National Railway system was presented, it revealed that capital expenditure in the amount of $35,504,890 would be required. To cover this sum there is available from reserves for depreciation and debt discount amortization an amount of $15,738,000. This leaves $19,766,890 that must be borrowed. Section 2 authorizes the railway to issue securities to obtain this money. However, the time may not always be suitable for the issuing of such securities.

Section 3 of the bill provides that the Minister of Finance may make advances to the railway on account of authorized capital expenditure until such time as is deemed appropriate for the issue of securities. The Minister of Finance charges interest on these advances varying from 1 per cent to 2 per cent, depending on the length of the loan.

Section 4 provides for the issue of securities to repay these advances.

Section 5 designates how money so raised on account of capital needs may be spent.

Sections 6 and 7 provide that the Governor in Council may guarantee any authorized issue of securities by the railways.

Section 9 deals with the second proposal that I mentioned in my opening remarks. The budget of the Canadian National Railway for this year indicates a deficit on current operations of $37,800,000. This section would authorize advances to cover such obligations of the railway as cannot be met out of revenue.

Honourable senators, it must be remembered that this is not a vote to cover the anticipated deficit of the railway. When the annual report is presented to parliament, and the deficit is determined exactly, parliament will be asked to vote moneys to cover the deficit. The advances made by the Minister of Finance, under section 9, will be re-imbursed from that vote.

Section 10 is similar to section 9, except that it applies to the Trans-Canada Air Lines, and authorizes advances by the Minister of Finance to cover any expenses that cannot be paid out of revenue. These advances, like the advance to the railway, must be re-imbursed to the Minister of Finance from the revenues of the Trans-Canada Air Lines, in so far as such revenues are sufficient, and any insufficiency shall be provided for by a subsequent vote of parliament.

Hon. John T. Haig: Honourable senators, I wonder if the Trans-Canada Air Lines would lose money if they issued passes three times a year to senators who live in the eastern and western provinces? I often think how nice it is that honourable senators who live close by can get home fairly frequently, and I am sure that those of us who live further away would like to get home once in a while to see what our homes look like. For instance, during the current session I have only been home for Thanksgiving. If the TCA is operating at a loss, it would hardly make any difference to it if it were to carry a few senators two or three times a year. I offer this suggestion to the honourable leader of the government (Hon. Mr. Robertson) in the hope that he will bring it to the attention of the Minister of Transport. We all know the minister is a fine gentleman, but we would think he was a lot finer if he would pay heed to these lamentations.

Hon. Mr. Robertson: I will gladly bring this suggestion to the attention of the Minister of Transport.

Hon. J. A. Lesage: Honourable senators, I fully agree with the proposal of the honourable leader opposite (Hon. Mr. Haig). I, too, feel we should receive passes to travel by airplane, and I think that this suggestion should be put to the Minister of Transport.

Hon. Gustave Lacasse: Honourable senators, I also am in agreement with the suggestion of the honourable leader opposite (Hon. Mr. Haig), but I should like to see it extended further. I am not a frequent traveller by air, but I have done enough flying to know that most of the time TCA planes are half empty. During the war we were quite willing to submit to air-travel priorities, but the war is over now and most of the planes, especially those which travel by night, are half empty or half full —whichever way you like to express it.

I strongly support the suggestion that has been made, but I think it should apply to other senators as well as those who live

in the far East or the far West. I think the privilege should be extended to senators who, like myself, live too far away from Ottawa and yet too close. Members from far away come here with the intention of staying for the duration of the session, and they arrange their personal business accordingly, but poor fellows like myself—who live too far and yet too near—do not know half the time what to do in endeavouring to conduct our private affairs. I realize that when one becomes a senator one must accept the responsibilities of one's position. At the same time I think it is demanding a little too much to ask a man to completely turn his back on his private business. I think it would be a timely move on the part of the Minister of Transport to extend this privilege to the members of the Senate of Canada; undoubtedly it would enable them to attend to their duties much more assiduously. I am even ready to make a concession, and say that if the minister is not ready to give free transportation, he could help to lessen the deficit of the TCA by reducing the rates to honourable senators. It would simplify matters immensely and eliminate a lot of pestering of CNR and CPR officials if the wives of senators were given year-round railway passes.

Some Hon. Senators: Hear, hear.

Hon. Mr. Lacasse: The privilege is extended to female senators as well as to male members of this chamber, and I think our consorts also should receive passes. I know this suggestion would have the support of railway officials. Passes would not have to be given to the children of senators, but they should be given the consorts of senators.

Honourable senators, I offer this suggestion with the same enthusiasm with which I support the suggestion of my honourable friend from Winnipeg (Hon. Mr. Haig).

Hon. Mrs. Wilson: I may say that the husbands of female senators do not have any privileges.

Hon. C. B. Howard: Honourable senators, It is not often that I rise to speak, but I feel that the suggestions just made are somewhat premature. It must be remembered that in many sections of Canada there is no air service whatsoever. I refer particularly to Sherbrooke, a city of 50,000, which cannot get any kind of air service. I am not in favour of giving any consideration to other matters until we get some form of air service in that part of the country.

We hear a great deal about some sections of the country enjoying certain privileges which are not extended to other sections. This is quite true. The province of Quebec has a population of three and half million—

Hon. Mr. Lesage: Four million.

Hon. Mr. Howard: Yes—and Montreal has a national airport, Hull is served by Ottawa's airport, and Quebec City has an airport which serves the north country; yet the Trans-Canada airplanes from Montreal to Newfoundland fly directly over what is supposed to be the Sherbrooke-Windsor Mills airport. This so-called airport has no hard-surfaced runway or other facilities for general air service, and considering the train service we have, I think it is high time that we were given some hard-surface runways, in order that the fifty thousand people of Sherbrooke may enjoy the benefits of air transportation. The province of Quebec should be treated at least as fairly as the rest of Canada.

Hon. Mr. Davies: May I ask the honourable leader one question? Have Trans-Canada Air Lines a commercial travellers' rate, as the railways have?

Hon. Mr. Paterson: Yes.

Hon. Mr. Haig: Trans-Canada Air Lines used to have no such rate.

Hon. Mr. Paterson: They have just started it.

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

REFERRED TO COMMITTEE

Hon. Mr. Robertson: Honourable members, one or two senators have asked to have this bill referred to a committee, and I am quite willing that this should be done. Ordinarily the bill would go to the Committee on Transport and Communications. However, the Banking and Commerce Committe has to meet to consider a bill that has been referred to it, and this bill might be expedited if referred to that committee. I therefore move that it be referred to the Standing Committee on Banking and Commerce.

The motion was agreed to.

BANKRUPTCY BILL

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 bankruptcy, and to acquaint the Senate that they have passed this bill with several amendments, to which they desire the concurrence of the Senate. When shall these amendments be taken into consideration?

Hon. Mr. Robertson: Tomorrow.

CRIMINAL CODE BILL

FIRST READING

A message was received from the House of Commons with Bill 10, an Act to amend the Criminal Code.

The bill was read the first time.

DEPARTMENT OF RESOURCES AND DEVELOPMENT BILL

SECOND READING

Hon. Wishart McL. Robertson moved the second reading of Bill 211, an Act respecting the Department of Resources and Development.

He said: Honourable senators, this bill, and two others that will follow it in due course, deal with the reorganization and institution of government departments. I ask the house to allow me to discuss together the general problems that are raised by these three bills. The subject-matter involved is so closely integrated that it would be impossible otherwise to give as clear a picture as I should like.

The chief reason for the legislation is to make some permanent provision for the functions performed by the Department of Reconstruction and Supply. This was foreshadowed by the Speech from the Throne at the opening of the present session.

When the present Minister of Trade and Commerce left the Department of Reconstruction and Supply it was thought that the department might be dismantled and its functions distributed among other departments. Many of the functions that it was then performing were most closely related to the Department of Mines and Resources. However, that department was already burdened with heavy ministerial responsibility and it would not have been reasonable to widen its scope. It was then decided that instead of abolishing the Department of Reconstruction and Supply, a redistribution of functions between it and the Department of Mines and Resources should be considered. During this time the Honourable Mr. Winters was appointed Minister of Reconstruction and Supply. He was given the understanding that at an early date a redistribution of functions would be made. The government, therefore, decided to redistribute the functions of the two departments in a way that would contribute most to efficient administration. There were two branches of the Department of Mines and Resources that were capable of forming the nucleus of a new department. They were the Mines Branch and the Immigration Branch. In fact, there had been a Department of Mines before 1936, in which year it was combined with the Department of the Interior to form the new Department of Mines and Resources.

There has been a growing feeling, especially among mining people, that the mining industry and the government's relations with it were sufficiently important to justify the establishment of a department headed by a Minister of the Crown. Moreover, it was felt that technical surveys could be more expeditiously handled if included in an administration of this nature. It was also noted that the union with Newfoundland added considerable territory and mineral resources to the scope of such a department. In consequence of these considerations, the government has decided to form a new Department of Mines and Technical Surveys.

This leaves the Immigration Branch of the Department of Mines and Resources. For some time now it has been recognized that the Immigration Branch had very little relation to the other activities of the department. The increasing importance and complexity of immigration have demanded more time than the Minister or Deputy Minister could give, without suspecting that they were neglecting other duties.

Closely related to the question of immigration is that of citizenship. The Citizenship Branch is designed to bring as many immigrants as possible to full citizenship. For this reason it has been decided to group these two branches under one administrative head and to create a Department of Citizenship and Immigration. This involves removing the Citizenship Branch from the Department of the Secretary of State. Once this decision was reached, it appeared to follow that the Indian Affairs Branch should also be under the new department, for the problem in regard to that class of Canadians is to bring them to full citizenship as soon as possible. Hospitalization of Indians will still remain under the Department of National Health and Welfare.

Once the limits of these two new departments had been determined, it became clear that the remaining functions of the Department of Mines and Resources and those of the Department of Reconstruction and Supply, naturally fell under one head: the physical development of the various aspects of our national heritage. These include housing, trans-Canada highway, public projects, tourist promotion, jurisdiction relating to the forest resources of Canada, irrigation projects, water power development and national parks. The government decided to incorporate these in a Department of Resources and Development. In addition to these matters the department would control and manage the affairs of the Northwest Territories, the Yukon Territory and all federal lands not otherwise assigned. Honourable members will see that the scope of the department is to be varied and wide.

It will be charged with all the projects in which the federal government can engage, either alone or in co-operation with the provinces, for the better development of the natural resources of this nation.

The government's action in these matters has been guided by a desire to group integrated subjects under one administrative head and to secure the most efficient departmental operation. The anticipated growth of all branches to come under the department has been carefully considered, and provisions have been made accordingly, so the department will not be unwieldy or unmanageable.

It will be some time after the passage of this legislation before the necessary arrangement of the branches can be completed and the new department set up. However, the government will proceed with this work as soon as the bills are passed, and the legislation is put into force by Royal proclamation.

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

THIRD READING

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

Hon. Mr. Robertson: With leave of the Senate, now.

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

DEPARTMENT OF MINES AND TECHNICAL SURVEYS BILL

SECOND READING

Hon. Wishart McL. Robertson moved the second reading of Bill 212, an Act respecting the Department of Mines and Technical Surveys.

He said: Honourable senators will observe that this bill, like the one just passed, was covered in my general remarks. It is obvious that this bill, as the one to follow respecting citizenship and immigration, provides for the setting up of a new department.

The bill before us co-ordinates all types of technical surveys, including various services such as planning, mapping and so on, in which the government is widely engaged at the present time.

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

REFERRED TO COMMITTEE

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

Hon. Mr. Robertson: Now.

Hon. Mr. Paterson: Honourable senators, I think by giving this bill third reading tonight the Senate will lose an opportunity to learn something of the background of this new department. I do not think it should be passed without being referred to a committee.

Hon. Mr. Robertson: I should be very pleased to comply with my honourable friend's suggestion. Would it be satisfactory to refer the bill to the Standing Committee on Banking and Commerce rather than to the Standing Committee on Natural Resources?

Hon. Mr. Paterson: Quite satisfactory.

Hon. Mr. Robertson: My reason for asking is that some time might be saved by having the bill considered in the Banking and Commerce Committee. Any honourable senators who are not members of that committee, and who wish to hear this bill discussed, will be made welcome.

I now move that the bill be referred to the Standing Committee on Banking and Commerce.

The motion was agreed to.

HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS

MOTION

The Senate resumed from Wednesday, November 23, the adjourned debate on the motion of Honourable Mr. Roebuck, that the government be requested to submit to the forthcoming Dominion-Provincial Conference on the Constitution a draft amendment to the British North America Act.

Hon. W. Rupert Davies: Honourable senators, this motion of the honourable senator from Toronto-Trinity has been on the Order Paper for some time, and a number of speeches have been made on it. At the outset I had not intended to speak on this motion, but having read it over several times, and after a good deal of counsel on the subject, I have decided to express my views.

I do not feel that I can vote for the motion, but I have been much impressed by what is called "The Canadian Bill of Human Rights and Fundamental Freedoms". The remarks of the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) appealed to me very much, and if I may I will quote the first paragraph of his speech. He said:

> Honourable senators will recollect that when the honourable senator from De Salaberry (Hon. Mr. Gouin) presented to this chamber on June 26, 1948, the report of the special Joint Committee on Human Rights and Fundamental Freedoms, he laid on the table a resolution adopted by the International Commission on Human Rights at Lake Success on June 18, 1948. That document will be found recorded at page 683 of the Debates of the Senate for that year. The senator from De Salaberry will also recollect that the Lake Success resolution followed, in somewhat condensed form, the International Declaration on Human Rights adopted at Geneva on

the 17th of December, 1947. Canada voted for that resolution. The draft bill, which constitutes part of the resolution I have just moved, is an adaptation of these two documents to suit the Canadian situation and the purpose in hand, and is drawn by the officers of a committee for a Bill of Rights, of which Mr. B. K. Sandwell, editor of *Saturday Night*, of Toronto is president, and Mr. Irving Himel, a well-known and active barrister of my city, is secretary. The committee's membership includes many men and women of prominence and distinction resident throughout Canada, from Vancouver to Antigonish.

I read that paragraph to show how the work of the committee is connected with what has happened at the meetings of the United Nations. I think the Senate should thank that joint committee for the work which it did on this subject.

I believe that we in Canada are not ready for such a bill of rights as this motion proposes; in any event, I could not support a motion to inject such a contentious matter into the midst of the Dominion-Provincial Conference, which I am sure will have enough to consider, and such a proposal might well confuse the issues.

One finds quite a divergence of opinion on this subject amongst even the able writers across the border. I have in my hand the December issue of the *United Nations World*, which contains an article written by Laura Vitray entitled "Mr. Truman and the UN." Under the sub-heading of "Human Rights Covenant" she says in part as follows:

> When Truman made respect for human rights the first cornerstone of American policy in the UN, he knew that the fight in the UN for a universal declaration of human rights was child's play compared with the one there will be to achieve a covenant on human rights. For the declaration is merely a statement of the rights men are entitled to—if they can get them. The covenant—or international treaty—means application, implementation, interference by a world body, when national courts violate the covenant.

She goes on to say:

> How sharp and how bitter that battle will be can be judged by the arguments over the declaration. At San Francisco the nations found it easy to write into the preamble to the UN charter a pledge of co-operation "in promoting and encouraging respect for human rights and fundamental freedoms for all without distinction as to race, sex, language or religion." Yet they wrangled for two years in the Commission on Human Rights to produce the declaration; and in Paris, the committee of the Third General Assembly assigned to give the document a quick once-over, fought its way through 85 sizzling round-tables before reporting it back to the main body.
>
> What developed in these hot sessions was that there is not one concept of human rights—there are many.

As I said before, I wonder very seriously whether Canada is ready for such a sweeping bill of rights. I am of the opinion that a lot of hard work will have to be done before the Canadian Bill of Rights would be satisfactory to the Canadian people as a whole. I feel that some sections need revision. For instance, if Article 7 were literally enforced, would it not require a change in our present police system? Many men are arbitrarily arrested today. There are times when, in the interest of law, order and good government, it is necessary to make what might be called arbitrary arrests. Let us suppose that a murder has been committed. The police start working on the case. They reach a point where they feel almost certain whom to arrest, but they have not yet secured all the evidence. They may feel that they have not yet got enough evidence to get a conviction, or even to make an arrest. At the same time they hear rumours that their number one suspect is about to leave the town or district, so they arrest him for vagrancy or some other charge on which they can hold him for twenty-four or forty-eight hours, until they can complete their case against him. That, in my humble opinion, is arbitrary arrest. Nevertheless I think most of us will admit that it is necessary in the interest of law, order, and good government.

To lay down a law that no person is to be arbitrarily arrested would certainly complicate the work of the police, because there are many times when they make arrests in an arbitrary manner, yet they do it in the interest of law and order.

For example, under the highway laws of the province of Ontario, a motorist who, having been involved in an accident, forthwith leaves the scene of the accident is liable to be arbitrarily arrested, thrown into prison, and kept there to await trial.

Again, the other day we discussed in committee Bill 63, clause 8 of which provides that—

> An inspector or constable may arrest without a warrant any person found committing an offence under this Part and shall forthwith take any person so arrested before a justice of the peace to be examined and dealt with according to law.

What is that but arbitrary arrest?

We now come to Article 15. It reads as follows:

> Everyone has the right to freedom of thought, conscience and religion; this right includes freedom to change his religion or belief, and freedom, either alone or in community with others, and in public or private, to manifest his religion or belief in teaching, practice, worship and observance.

I like that very much indeed. It strikes a most responsive chord in my heart. But would the people of Canada endorse it? Do all the people of Canada really believe that every man and woman has a right to freedom of thought? I doubt it. I doubt it very seriously. We all give loud lip-service to Article 15, but are we serious? If we are, then we should follow these ideas to their logical conclusion. What kind of freedom are

we willing to give to the atheist, for instance? A man has a perfect right to be an atheist. If his thinking and reading have brought him to the conclusion that there is no God, that, in a perfectly free country, is his own business. I will admit that we have advanced a long way since the days of Charles Bradlaugh, the iconoclast of the 19th century who went to jail for his beliefs, and who four times was refused admission to the British House of Commons because he would not take the oath in the prescribed form. But how far have we advanced, in reality? We are still quite a young country, and, I think pretty narrow and puritanical in some of our views.

I remember going to a lecture in a Presbyterian schoolroom with an uncle of mine, about forty years ago. He was a very advanced thinker, and he taught a free-thinking Bible class of his own. At the conclusion of the speaker's lecture on Moses—about whose existence we all know Tom Paine had serious doubts—my very aggressive uncle started a near-riot among the elders and the "elderesses"— if you will pardon the word—by rising in his seat and announcing in a loud voice that he did not believe there ever was a burning bush; what Moses saw was perhaps an oil-well on fire. I can assure you I was very glad when we got outside of that Presbyterian schoolroom, because there were some pretty irate men and women in that gathering. Of course we in Ontario have progressed in the last forty years, but have we progressed far enough to willingly give the other fellow the right to think as he pleases?

During the war there were a number of war industries in Kingston, working three shifts a day. I endeavoured through my paper to have moving pictures shown for the benefit of the workers who went on the shift from four to twelve every night. I also tried to have moving pictures shown starting at five minutes after twelve on Sunday night. I did not succeed. I brought down upon my head a deluge of letters in which all sorts of fantastic claims were advanced. I was told, for instance, that Sunday really commenced at 12 o'clock Saturday night and did not end until five or six o'clock on Monday morning. The writer of another letter declared that if people were allowed to go to movies at five minutes after twelve on Sunday night they might disturb those who had been worshipping, and after a hard day's work in the churches and Sunday schools were trying to get off to sleep. So we did not get Sunday movies for the war workers.

A few years ago, Jehovah's Witnesses, of whom I may say I am not an admirer, were refused the use of the city hall in an Ontario city for a public meeting. That decision was wrong, quite wrong. A similar request by the United Church, the Roman Catholic Church, the Presbyterian Church, the Congregational Church, or any other orthodox group, would not have been refused, and the hall should not have been denied to Jehovah's Witnesses. Article 15 would cure that discrimination, and rightly so, I believe. I hold no brief for Jehovah's Witnesses. I disagree with them emphatically. But I maintain that they have as much right as any other denomination to hold a meeting in a municipal hall which was built and is used for civic purposes, and which is maintained by their taxes as well as by those of people belonging to other religious groups. However, they were excluded. This happened within the last two or three years.

Hon. Mr. Paterson: But the honourable senator will admit that he would object to them teaching our children?

Hon. Mr. Davies: As I said, I have no use for the teachings of Jehovah's Witnesses. But I cannot see why they should be refused the right to hold a public meeting in a public building. I would not want them to teach my children or, I should say, my grandchildren.

A few moments ago I said that an atheist had a right to be an atheist if he wished. He would preserve that right under Article 15. But how much farther would we be willing to go? Let us look at just one penalty we now impose upon him if he happens to live in a city, a town, or a township. Churches and church property escape most taxes in our muncipalities, and what the churches should pay, but do not pay, has to be made up out of the profits of all the taxpayers in the municipalities. Honourable senators, is there any good reason why a man who does not believe in God should contribute to the upkeep of St. Andrew's Presbyterian Church in Kingston, of which I am a member, in order that I and other members of that church, who do believe in God and who receive comfort and inspiration through meeting to worship Him, should escape paying municipal taxes on that church? If such a person has a right to freedom of thought, he should not be forced to contribute, even indirectly, to the propagation of a faith in which he does not believe.

Now, honourable senators, let me for a few moments deal with Article 16, in which I am particularly interested. It reads as follows:

> Everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions without interference and to seek, receive and impart information and ideas through any media and regardless of frontiers.

Honourable senators, Canada is growing up, and we have had tangible evidence of this fact here during the present session. Since we began sitting in the fall we have passed through this chamber bills to abolish appeals to the British Privy Council, and to give us the power to amend our own constitution. We are becoming a free and adult nation, and I am sure that every honourable senator is glad that it is so.

But the censorship of books is one matter upon which we have not reached adult stature, and this is a restriction on our national life about which I feel very strongly. In another place on November 3, in a discussion about the censorship of books, the question was asked: Who is the censor? And how many books, journals, and comics have been denied or refused admission by the said censor during 1948 and 1949? The reply was: Censorship in its broadest sense is not exercised by the Customs Division, but the department is responsible for the administration of item 1201 of the Customs Tariff, which prohibits the entry of publications of a treasonable, seditious, immoral or indecent character. This item 1201 seems to give a very dangerous power to someone in the department. We were told that in 1948, under tariff item 1201, forty-five books, and twenty-three newspapers and magazines were refused entry into Canada, while in 1949, eighty-one books, and twenty-two magazines and newspapers were refused admission.

Honourable senators, before I discuss this matter further, let me make it quite plain that there is nothing personal in what I am going to say. It is a bit unfortunate for me that the matter of censorship comes under the Department of National Revenue; but it is purely incidental. I am quite sure that the minister and the deputy minister carry out the work of the department in accordance with the Act governing censorship. My complaint is against the Act which permits the censorship. If you will pardon a personal reference, I should like to say—to completely clear myself of any personal feeling in the matter—that the Minister of National Revenue has been a warm friend of mine for thirty years. When I lived in Renfrew he was my friend and personal physician, and several of my family still bear scars which testify to his skill as a surgeon. When he entered the government, the people of Canada enlisted the services of a hard-working and conscientious minister, and the Ottawa Valley lost a skilled surgeon. I know the Minister of National Revenue better and more intimately than I know any other Cabinet minister. I know that he is an honourable man who administers his department competently and without fear or favour. His deputy also is a friend of mine. In any event, some of the things about which I wish to complain took place long before the present minister took office.

Having cleared up that point, let me now turn to this matter of censorship. Eighty-one books were banned from Canada during this year, and I should like to know what books they were, and why they were banned. We are told there has been no examiner of publications since July 17, 1942, so I take it that some official of the Department of National Revenue, who is an unofficial examiner, decides to some extent what I shall read and what I shall not read. God gave me, I am thankful to say, a fairly generous amount of brains and intelligence, and I think I have enough of both to decide what is good for me and what is not, and I am quite sure that most members of this honourable body feel the same way. I object strongly to any officer of the department, in charge of censorship, deciding what are the right and proper books for Canadians to read. This is a most dangerous power to put into the hands of an anonymous member or members of a department of government.

I feel that the present system should be changed. Let us bring it right out in the open. Let us know who is doing the censoring, and what books are banned and why. And, by all means, let us know the qualifications of the person or persons who are acting as our moral mentors. There is too much paternalism about this book-banning business; too much fear that those who read them will not have sufficient ability to judge them for themselves.

I hope honourable senators will pardon a rather light personal reference, but when I was a boy I read every *Deadwood Dick* dime novel I could lay my hands on. I can still recall how avidly I devoured, on a Welsh hillside, *"Deadshot Dandy, the Hero of Red Gulch"*, and *Alfrida the Man Tracker,* and the *Sign of the Five Bullets.* Reading those books did not do me one bit of harm, and I do not think this type of reading would harm anybody today.

Honourable senators, if I as a Canadian citizen am going to be entitled—as article 16 of the new Canadian Bill of Rights states—to "freedom of opinion and expression," and if I am further to have the right "to seek, receive, and impart information and ideas through any media and regardless of frontiers", then I claim the right to know who is stopping me from receiving some of that information and some of those ideas.

This is a very serious matter. I do not like censorships or controls of any kind.

Some of them, including censorship of newspapers, were necessary during the war, but now the war is over, and we should be most careful about trying to arbitrarily control the minds of our citizens, or to interfere with their reading and study. For that reason I welcome article 16 of the proposed Canadian Bill of Rights.

This is not a new complaint with me. In our two newspapers, the Kingston *Whig-Standard,* and the Peterborough *Examiner,* we publish a book-review column nearly every week. These reviews are written by able, well-educated men. We try to do a good job for our readers, and I know that other newspapers do the same. In discussing books with the men who write these reviews on many occasions, and also with other people of a literary turn of mind, I have listened to complaints about the banning of certain books from circulation in Canada. With some of these books I have been familiar.

I remember well some twenty years ago being told by a friend of mine in the book business, that the bookstore in an Ontario city in which he worked had a copy of D. H. Lawrence's famous book *Lady Chatterley's Lover.* This book, although banned in Canada, was being offered for sale for a private party, at a price of $125 a copy. A year or two later I was in Paris and saw the book on sale in a bookstore on the Rue de Rivoli for what in our money would be about $1.50, and I promptly went in and bought a copy. I read it and enjoyed it very much. It was, as were all D. H. Lawrence's books, beautifully written; in certain parts it was almost poetry in prose. I do not know whether it is still banned from Canada or not. If it is, it should not be, in my opinion. Admittedly it had some nasty words in it, but we hear nasty words all the time on the streets and in other places, though of course not in the Senate. The story was a pathetic one, and many of you may be familiar with it. It dealt with an English officer of good family, who came back from the First Great War paralyzed from the waist down. He wanted an heir to his estates, so he agreed that his wife should try to find a healthy man who could act as his deputy in producing an heir. The book had to do with a definite problem that faced a married couple of substance after World War I.

I may say that I used to have quite a number of D. H. Lawrence's works, but that was in the days when I used to lend books. I have none of Lawrence's volumes today, and I do not lend books any more.

At different times over a period of years I have received a number of letters about the censorship of books. Only last week a complaint was sent to me about the banning in Canada of *A Rage to Live* by John O'Hara. I do not know the book at all, but I made some inquiries about it after I was written to by a Canadian who was annoyed because he could not buy it. The book supplement of last week's New York *Times* ranked it third in the list of fiction best sellers. I made some inquiries and was told that the book was at first let into Canada and afterwards banned. Then the ban was withdrawn and book publishers have been given one year's reprieve on it. I wonder why there has been a year's reprieve. If the book is of a kind that should be banned from Canada, it seems very inconsistent to allow it in for a year.

I have often discussed with people their complaints about inability to obtain certain books. I recollect that one of the members of my own company's staff who was unable to get a copy of a book entitled *Painted Veils* claimed that once a book is banned in Canada it stays banned for ever. I do not know whether this is true or not. I am told that there is no machinery for reconsidering the list of banned books, but until I have had an opportunity to look into the matter I should imagine that the list is reviewed periodically. The book *Painted Veils,* written by James G. Huneker, was published in 1920, so present officials of the department had nothing to do with the ban on it. When first published the book created something of a sensation, because it described the predicament of a young clergyman who got himself involved with a group of opera singers and was outraged by what he considered the immorality of their conduct. I am informed that few people reading it today would find anything astonishing in it. It dealt with two kinds of morality: the artistic morality and integrity of artists and the morality of the clergyman who had dedicated his life to the service of God but who, as one writer put it, had mistakenly created God in his own image.

These cases that I am citing, honourable senators, have not been brought to my attention suddenly, but have accumulated over several years. The problem which they raise was revived in my mind by a recent court case in the city of Brantford, tried before Judge Cowan. Those of you who are familiar with it will know that a news agent was charged with selling an obscene book, which I believe was called *Amboy Dukes* and was about a group of young Brooklyn hoodlums. As the Ottawa *Journal* pointed out, the judge was confronted with a difficulty which always arises in such cases: one set of witnesses

denounced the book, but another set of witnesses, of equal standing, defended it. The newspaper report quotes His Honour the Judge as follows:

> And who am I to say whether this book or any book is obscene? It is not the function of a court to be censor of all books. If a book is acceptable to one section and not acceptable to another it is no reason why the book should not be published at all.

That was a very sound judgment.

I am bringing up some of these cases now, too, because I feel that article 16 of the proposed Bill of Rights seeks to deal with this problem of censorship, and I want to point out how necessary such a human right and fundamental freedom as that outlined in article 16 is in Canada.

Not all the banning of books is done by the federal censor. A librarian in an Ontario city banned *Forever Amber*, although there were six copies of the book in the parliamentary library here. Why such a stupid book was banned I am at a loss to understand. I thought it was very poorly written, and though I made three attempts to read it I never really finished it. Having read Bryant's *Life of Charles II* about two years before, I found *Forever Amber* pretty tame.

A couple of years ago a young man who does some writing for our newspaper wrote me a letter dealing with a book called *The Memoirs of Hecate County*. Because the hour is late I will not read the letter, but I ask permission to place it upon *Hansard*:

> An example of the capriciousness of censorship is given by the case of the *Memoirs of Hecate County*, by Edmund Wilson, which was published in 1946 and banned in Canada within a month of its publication, and before any more than a dozen or so copies had reached this country. It would be interesting to know if the censor had actually read this book, or if he had merely read sensational reviews of it in American papers.
>
> The important point about the book is that it is the work of Edmund Wilson, who is one of the leading men of letters in the United States today. In my opinion, it is not fair to the Canadian people to keep it out of Canada without some consideration for Mr. Wilson's great reputation.
>
> The book is not written with an immoral purpose, but to prove a particular point. The book contains a number of short stories, only one of which would be considered offensive by an ordinary reader. In that story a contrast is made between the sexual behaviour of a group of poor and ill-educated people and a group of wealthy and well-educated people, and the point that is made is that people in either of these social spheres behave badly and perversely if they lack moral courage. The intention of the story is not to pander to dirty minds, but to explain that dirty minds are pretty much alike in all spheres of society.

Some books are banned because they are said to be sexy. It should not be forgotten that one of the finest novels of the nineteenth century—*Tess of the D'Urbervilles*, by Thomas Hardy—was aimed at breaking down the double standard of morality. It was beautifully written.

May I mention briefly another famous book? About a year ago I received from one of my sons, who is editor of our paper the Peterborough *Examiner*, a letter complaining that he was unable to buy a book called *Ulysses*, by a well known writer, the late James Joyce. In this particular instance I am more or less appearing as advocate for a Canadian citizen who himself is a writer of both books and plays, and who is a Bachelor of Letters of Oxford University. I say this, honourable senators, with great diffidence and I hope you will pardon me. My purpose in mentioning the literary qualifications of the writer is simply to give more weight to his complaint. May I quote from his letter, which I kept on file:

> The banning in Canada of James Joyce's great book, *Ulysses*, which was published in 1918 and has been available in the United States since 1934, was a shameful affair. This book is one of the great books of our time and has exerted an immeasurable influence on modern writing. The plot of the book is a description of a day in the life of Leopold Bloom, who is an advertising salesman in the city of Dublin. Bloom's day is described in great detail, and the reader is told not only what Bloom does, but what he thinks, and a relationship is made between Bloom's journey from dawn till night and the great journey of the Greek hero Ulysses as described by Homer. The book is an extraordinarily rich one in its understanding of life, its insight and pathos and in its humour. It contains passages which might be offensive if they are taken out of their context, but the same might be said of the Bible. When a decision had to be made as to whether this book should be published in the United States, a famous judgment was given by Judge John M. Woolsey, of a New York district court on December 6, 1933, and in the course of that judgment he described the book as "a sincere and serious attempt to devise a new literary method for the observation and description of mankind." It is a shame that this great book should be banned from a supposedly intelligent and civilized country, and it leads to contempt for the law, because there are hundreds of copies of *Ulysses* in Canada in the possession of scholars and people of literary leanings which have been smuggled into the country. It can safely be said that these people are not people who are looking for pornography, but people with an absorbing interest in modern writing who have to break the laws of their own country to gratify that interest. It is an interesting point that a young Canadian scholar named Hugh Kenner is making a reputation for himself as a student of the work of James Joyce, and that this young man has had to go to the United States to get the recognition which his work deserves, because the main work of James Joyce is not permitted to enter his own country. The ridiculousness of banning *Ulysses* is further pointed out by the fact that Joyce's last book called *Finnegan's Wake* is permitted to enter Canada, although it is in some respects a much more exciting book than *Ulysses*, but it is written in such a difficult style that presumably the censor did not take the trouble to read it.

I learned only the other day that this book *Ulysses* is now admissible into Canada. How long it has been admissible I do not know.

Some honourable senators may have recently read in the Ottawa *Journal* the following quotation from the Brantford *Expositor*:

> Here is another sidelight. No later than a few months ago a Brantford citizen ordered from a thoroughly reputable publishing house in New York a good edition of James Joyce's *Ulysses*. The book got to the local Customs office and was cleared to the purchaser, on payment of required duty. But, lo and behold, a day or two later an official of the said department waited upon the citizen and demanded that the copy of *Ulysses* be returned. For what reason? Because it had been discovered, a trifle late, that *Ulysses* was on the banned list and should not have been allowed entry into this moral land.
>
> The unwitting violator of the code, in this case, was not a peddler of improper "literature" but a reputable and responsible citizen, and university graduate with a taste for reading. Yet he was compelled, under protest, to return his book to the Customs people.
>
> Perhaps by coincidence, however, there came from Ottawa, within a few more days, the gladsome tidings that dear old "*Ulysses*" had been found (after all these years!) to be respectible and admissible after all. So, as soon as the appropriate yardage of red-tape had been unravelled, the slightly annoyed citizen got his book again.

I must apologize to honourable senators for speaking so long, but I felt that this was an opportunity to say something about censorship, a matter which has concerned me for some time. I do not go as far as to say that we should not have some type of censorship. What I do not like is the fact that books are banned from this country without any explanation or right of appeal by some unknown official whose opinion becomes law for some 13 million people. It is a very serious matter.

I would not object to a board of censors composed of men and women who have been well and broadly educated. I refer to men of the type of Principal Wallace of Queen's University, Mr. B. K. Sandwell, the well-known editor of *Saturday Night*, Mr. L. W. Brockington and Dr. E. Fabre Surveyer, and women of the culture and education of Dr. Charlotte Whitton. I do not say that we should necessarily have a board consisting of those identical people, but its members should be well educated, as broad in experience and as sound in judgment as the persons I have named. I am sure that such a board of censors would be most careful before banning any book. In any event, I believe they would not do so without a careful reading of it, and I am sure they would be willing to state their reasons for their action.

If we are now going to amend our constitution and make our own Supreme Court really supreme in Canada, let us at the same time throw off another yoke, and in the words of Article 16 of the proposed new Bill of Rights, give to everyone "the right . . . to receive and impart information and ideas through any media and regardless of frontiers".

Some Hon. Senators: Hear, hear.

Hon. Mr. Lambert: May I ask the honourable senator a question? I think he carefully omitted any reference to the rather contentious subject of comic strips, which now affects the newspapers in this country. Does his attitude concerning the banning of books apply to certain features coming under the name of comic strips?

Hon. Mr. Davies: I presume the honourable senator from Ottawa is referring to the bill which is now in the other place, and which does not deal with comic strips but with crime comic books. I do not know of any crime comic strips that are published in newspapers, and I am quite sure none are published in my paper. I think some judgment would have to be exercised in the banning of such comic strips.

Hon. Mr. Paterson: May I also ask the honourable gentleman a question? I think he stopped his criticism of the Articles of the Bill of Rights too soon. He did not read Article 17, the second part of which reads, "No one may be compelled to belong to an association". I wish the honourable gentleman would offer some explanation of that Article. To what does "association" refer? Is it a labour union?

Hon. Mr. Davies: I do not know that I can tell the honourable senator from Thunder Bay what the word "association" refers to. The provision, if adopted, would probably mean that I would not be compelled to join the Canadian Daily Newspapers Association, if I did not want to, and my honourable friend would not have to join an association of ship owners, or the conference which fixes the shipping rates on the Atlantic Ocean. I am of the opinion that "association" refers to trade unions, but the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) when he closes the debate tomorrow, will be able to explain the meaning of the article better than I can.

Hon. Mr. Beaubien: Honourable senators, on behalf of Honourable Mr. Roebuck I move the adjournment of the debate.

The motion was agreed to, and the debate was adjourned.

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION BILL

SECOND READING

Hon. Mr. Robertson moved the second reading of Bill 213, an Act respecting the Department of Citizenship and Immigration.

He said: Honourable senators, this is the bill affecting the third new department to be created, to which I have already referred.

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.

SALARIES BILL

SECOND READING

Hon. Mr. Robertson moved the second reading of Bill 214, an Act to amend the Salaries Act.

He said: Honourable senators, this bill is relatively short, and is consequential upon the creation of the three new departments. When they are established it will be necessary that the salaries of the various ministers affected be authorized. The bill before us proposes to give the necessary authority. It would repeal that part of the present Salaries Act which authorizes payment to the Minister of Mines and Resources, the Minister of Munitions and Supply, the Minister of National War Services, and the Minister of Reconstruction. It substitutes the Minister of Resources and Development, the Minister of Mines and Technical Surveys, the Minister of Citizenship and Immigration.

Section 2 of the bill provides that the Act shall come into force on a day to be fixed by proclamation of the Governor in Council.

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: With leave of the Senate, now.

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

THE SENATE CHAMBER

ATMOSPHERIC CONDITIONS

On the motion to adjourn:

Hon. Mr. Haig: Honourable senators, before the house adjourns, I wish to call attention to the cold air that is coming through the ventilators on this side of the house. The honourable senator from L'Acadie (Hon. Mr. Leger) and I have felt it very badly tonight. I have called attention to this unhealthy condition several times, and I think the engineer ought to find the trouble and remedy it.

The Hon. the Speaker: The proper authorities will pay attention to the honourable gentleman's remarks.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Tuesday, December 6, 1949

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

Prayers and routine proceedings.

CUSTOMS TARIFF BILL

FIRST READING

A message was received from the House of Commons with Bill 221, an Act to amend the Customs Tariff.

The bill was read the first time.

STAFF OF THE SENATE

REPORTS OF INTERNAL ECONOMY COMMITTEE

Hon. Norman McL. Paterson presented the second, third, fourth, fifth, sixth and seventh reports of the Standing Committee on Internal Economy and Contingent Accounts.

(*The reports were read by the Clerk Assistant.*)

Hon. Thomas Reid: I hope that when this committee meets again it will give consideration to establishing the permanency of the members of the Senate staff. It is terrible to think that some persons have been employed by the Senate for as long as twenty-five years, and that when they retire they will receive no pension. I am glad to see that the salary rates are being increased, but I think the matter of the permanency of our employees should be given full consideration.

The Hon. the Speaker: When shall these reports be taken into consideration?

Hon. Mr. Robertson: Honourable senators, it is not my intention to press for the consideration of these reports now, but if no one indicates objection to them I would ask that they be adopted.

The reports were severally moved and concurred in.

DOMINION LANDS ACT

MOTION

Hon. Wishart McL. Robertson moved:

That regulations made by the Governor in Council under authority of the Dominion Lands Act, Chapter 113, R.S. 1927, which were published in the *Canada Gazette*, on the 21st day of May, 1949, and the 23rd day of July, 1949, in accordance with the provisions of section 75 thereof, and which were laid on the Table on the 20th day of September, 1949, be approved.

He said: Honourable senators, section 75 of the Dominion Lands Act provides that all orders and regulations made under that act must be approved by resolution of both houses of parliament. The orders and regulations must first be published for four consecutive weeks in the *Canada Gazette*, then tabled in parliament within fifteen days of the opening of the session next following their passage, and, finally, approved by resolution passed in the same session in which they were tabled. Any orders and regulations that are not so approved by resolution have no effect after the session in which they should have been approved.

Sales of land or grants of any interest in land that comes under the Dominion Lands Act must be approved by orders or regulations. Over the years these orders and regulations have become quite numerous, and in September of this year they were all consolidated and passed by the Governor in Council. The consolidation has been published in the *Canada Gazette*, and tabled in parliament. The motion which I now move would give the necessary approval of the consolidation by the Senate, so that the orders and regulations involved will not lapse at the end of this session.

The motion was agreed to.

INCOME TAX AND INCOME WAR TAX BILL

FIRST READING

A message was received from the House of Commons with Bill 176, an Act to amend the Income Tax Act, and the Income War Tax Act.

The bill was read the first time.

THE LATE SENATORS PENNY AND COPP

TRIBUTES TO THEIR MEMORY

Hon. Wishart McL. Robertson: Honourable senators, I should like at this time to refer briefly to the death of two of our esteemed colleagues, whose passing I announced to the house yesterday.

The Honourable George Joseph Penny of South-West Coast, Newfoundland, passed away in Ottawa, on Sunday, December 4, 1949. Senator Penny was born in Halifax on October 24, 1898. He went to Newfoundland at an early age and remained there until he enlisted for service in the First Great War. He was in the trenches at the early age of seventeen years and served with great distinction. Following the end of the war, the late Senator returned to Canada and entered the banking business, where he remained for more than a year. He then returned to Newfoundland and took over his father's fishing business. Since that time our late colleague has lived and carried on

business in Ramea, Newfoundland, and on August 17, 1949, was summonded to the Senate. Senator Penny is survived by his wife and a daughter.

The late Senator Penny was one of the most prominent businessmen of Newfoundland. His position in the fishing business on the south coast of that province brought him and his family into intimate contact with the lives of hundreds of people who were entirely dependent on his business activities for their very livelihood. I have been told by those who knew the family well, that the household of our late esteemed colleague radiated cheer, hospitality and helpful comfort to all with whom its members came in contact, and that it had no place for the narrow distinctions of race and creed that sometimes divides man from man.

I sometimes think that those whose daily lives are spent close to the great forces of nature have, instinctively, a clearer perception of what is and what is not worth while than those who live in more sheltered surroundings. So it is with those who live by or on the sea. Life on the north Atlantic is no child's play under the best of circumstances, and the ever-present danger of sudden storms creates a comradeship that transcends all narrow distinctions. So it was with the family of our late colleague, who lived to serve others.

Senator Penny was one of our junior members, having been with us for only a brief period. He was confident that the union of Newfoundland with Canada would help those with whom he had lived and worked so long. His death was untimely. We extend to his widow and family our deepest sympathy, and we affirm our conviction that he served his fellow men well.

The Honourable Arthur Bliss Copp, P.C., of Westmorland, passed away at Newcastle, New Brunswick, yesterday, December 5, 1949.

Senator Copp was born at Jolicure, Westmorland County, New Brunswick, on July 10, 1870. He was educated in the common schools of that province, and graduated from the provincial Normal School in 1888: after teaching school for two years he attended Mount Allison University, and later went to Dalhousie University. In 1894 the late senator received the degree of LL.B. from Harvard University. Since being admitted to the bar of the province of New Brunswick in 1895, he has practised law in Sackville, New Brunswick.

Our late esteemed colleague was elected to the legislature of New Brunswick in 1901, representing Westmorland County, and held that seat until 1912. He was elected to the House of Commons in a by-election in 1915, and re-elected in 1917 and 1921. In the latter year he was sworn in as Secretary of State in the King government. He was summoned to the Senate on September 25, 1925.

Reason should have dictated that Senator Copp, at his advanced age, might leave us at any time, but his clear mind, his alert step, and his cheery manner tended to make us completely oblivious of this fact.

In the passing of our esteemed colleague, Canada has lost an outstanding public man and the Senate one of its most prominent and esteemed members. He had been a member of the Senate for almost twenty-five years. He variously served in the most responsible posts. At the time of his death he was Deputy Government Leader in the Senate, Chairman of the Standing Committee on Transport and Communications, and invariably served as chairman of his party's caucuses. He brought to the consideration of public questions a keen mind and penetrating criticism, both amplified by a long and varied experience. At all times he took his responsibilities as a member of the Senate seriously, and was a faithful attendant of its meetings both in the house and in committees. The Senate of Canada has in its membership—and has had—many outstanding public men and women who have contributed much to the consideration of public questions. I believe that the late senator from Westmorland will rank high among them.

For my own part, and I speak personally, I have lost a staunch friend and trusted adviser. It would be difficult for me adequately to discharge the debt of gratitude that I owe for the services he rendered me during the period of our intimate association.

He was considerate; he was loyal; he was forthright, and solid as the Rock of Gibraltar.

I need not say to this house that, particularly during the first year or two after I had assumed the responsibilities of the position I now hold, I frequently had to call on him for advice and counsel. It was at all times cheerfully given, and invariably I found it wise, sound and dependable.

When I said good-bye in the midst of Thursday afternoon's session, I jocularly added that it would not be for long, as we would be meeting again soon. This brought his characteristic reply "I'll be on deck". But it was not to be, and yesterday he passed quietly away. If his passing had to be, I am thankful that it was quiet, peaceful and painless.

To his close relations and his host of friends who will mourn his passing, we extend our

deepest sympathy. He will ever be remembered by his colleagues in this house, where for so long he was a prominent and outstanding figure.

Hon. John T. Haig: Honourable members, I join with the leader of the government (Hon. Mr. Robertson) in a tribute to the memory of the late Senator Penny from Newfoundland. I was not well acquainted with that gentleman; I just knew him as a new member. He came here very highly regarded in his own province. To his wife and daughter I express the sincere sympathy of every member of this house.

As I come to speak of Senator Copp, I cannot but think of last Thursday afternoon. I did not know he was going away until I saw him saying good-bye to the leader of the government. As he stepped into the aisle he looked over at my desk and gave a slight wave of his hand—almost as a lover would to his girl friend as he was going away. It was a gesture I did not expect; I was surprised, and happy, but the terrible thought went through my mind, "I wonder what is going to happen". That was all—I just wondered what was going to happen. It was a demonstration so unlike him: I knew it was in him, but I did not expect it. Others on this side saw the motion. I recall it to show you that no matter what differences one might have with the late senator he was always a gentleman and always a friend.

This is an occasion when I can happily remember that during nearly fifteen years of association in this house I always held him in very high regard for his integrity and his judgment. Although we did not always agree, when we differed we always agreed to differ. Through the stability of his judgment and the soundness of his common sense he made a great contribution to the Senate. As the leader of the government has said, when we looked at him stepping out of the chamber last week we could not have imagined that within a day or two we should be standing here to honour his memory. At various times in conversation with me he gave the impression that he had burdens to carry which could not be avoided; and to me it seemed that he carried them with the resolution which proclaims a strong character.

I join with the leader opposite in expressing a feeling which I believe is common to every member of this house, that we have lost one of the pillars of the Senate of Canada. So long as the people of this country can call to its service men like the late Senator A. B. Copp, I have no fear for the future of Canada.

Hon. Antoine J. Leger: Honourable senators, for over half a century I have known the Honourable A. B. Copp as a lawyer, as a member of the Legislature of New Brunswick, as a member of parliament, as a minister of the Crown and as a senator.

Like many of us, in his political life he had known victory and defeat. But whether in victory or in defeat he always maintained that equality of temperament which made him a favourite amongst his friends and a good fellow amongst his opponents. In his passing the Liberal party loses a man of many friends, the county of Westmorland a noble son, the province of New Brunswick a valiant citizen, and the Parliament of Canada a devoted, faithful and hardworking servant.

I wish to extend to his wife and to his relatives my most sincere sympathy.

Hon. G. P. Burchill: Honourable senators, I want to add my tribute to what has already been said respecting Senator Copp, a very dear friend of mine whose sudden death we mourn this afternoon.

Senator Copp entered provincial politics for the first time, in New Brunswick, in 1901, forty-eight years ago, and was a familiar figure in the political life of that province for almost half a century. He was always successful, and the people of his constituency had for him a feeling almost of affection. He served in civic, provincial and federal fields, and from his long years of experience he acquired wisdom and sound judgment as well as a profound knowledge of parliamentary procedure.

There is little that one can say on an occasion such as this, except that Senator Copp served his province and country well. He gave generously of his best talents and gifts in the service of his fellow citizens. He was a staunch and warm friend, and though he had almost reached the four-score year mark, he was young in spirit and maintained a buoyancy which always made him a charming companion.

He was a courageous man. During the past few years he had been passing through the deep waters of sorrow; but he never burdened others with his troubles and he faced the world each day with a smile, always ready with a word of cheer. This chamber, honourable senators, is poorer because of his passing.

Hon. J. J. Hayes Doone: There has come to me within recent hours, in common with other senators who have addressed this house, a knowledge of the limitations of life and of time and of what a short period any

of us may have to do the works and perform the duties expected of us. The sudden deaths of two of our number, following each other in tragic sequence, bring us this unwelcome intelligence. They also bring to us a sense of shock and of the keenness of personal losses.

I shall attempt to deliver no eulogy on the life of Senator Copp. There are too many members in this chamber who knew him more intimately than I, and who can more adequately do justice to his memory. Testimonials to his high qualities of heart and mind, I am sure, will be many and sincere. These characteristics, as associated with the late Senator Copp, were traditional and were given nation-wide recognition.

As a fellow resident of New Brunswick, though, I may assert that the late Senator Copp has left upon the history of his native province a record that time cannot efface. This is a record of astuteness, keenness of intellect, high integrity and moral nobility. These are things that will never die. Fellow senators, while we regret his passing, we realize that he lived a life full of virtue and honour, one which should prove a lesson to us in our present-day endeavours and an inspiration to Canadian youth in the years to be.

I would like, however, to make special reference to the late Senator Penny. I wish to do so, particularly, because of his comparative youth and by reason of the fact that he was cut off in the flower of his life with all his brighter days before him, possessing, as he did, so many of those qualities which predestine one to greatness.

As his room-mate and perhaps one of his closest associates in this assembly, I would be most remiss in my duties as a friend if I did not place upon the record some appreciation of these qualities. Indeed, fellow-senators, had I been more familiar with house procedure I would have prepared a tribute more fitting to the man and more appropriate to this unhappy occasion. But despite this disability and irrespective of how inexpertly and inadequately I may express my sentiments, I wish to add a thought to the kindly references made by the honourable the leader of the Senate.

To those most intimately acquainted with the late Senator Penny, the sad intelligence of his passing came with all the poignant elements of sorrow. Even those who did not know him or have the opportunity of coming within the range of his charm, but who place a value upon life, will mourn his passing. He will be especially missed in this chamber.

There is in this assembly an especial esprit de corps—not outwardly obtrusive, but existing in substance. The passing of a member, therefore, is particularly saddening. Such a sad event represents the breaking of old threads of friendship, which cannot be rewoven.

The ties of friendship meant much to the late Senator Penny. He had a great capacity for friendship. He had also a great breadth of charity. I never knew him to speak an unkindly word of any person. I never knew him to do an ungenerous act. In all my associations with the late senator, I never heard him give voice to any statement that could not bear the most searching scrutiny. He was at all times a most welcome companion. I am sure that in a better world he will receive a most kindly greeting.

The kindliness, the courtesy, the gentlemanly character of the late Senator Penny will live long in my memory and I am sure that these qualities will survive in the memory of all senators.

The knowledge that in life he was true to his home, his friends and to the community in which he lived, must be a sustaining thought to those most intimately affected by sorrow at his passing. That he was faithful in his duties to the state will, I am sure, be an added consolation to the bereaved members of his family. To them I extend my sincere and most profound sympathy.

As a concluding word may I suggest that two fine gentlemen have lived among us. The world is richer for their living and we personally have gained immeasurably through association with them. In the quiet unobtrusive and eloquent words of New England's home poet, they were in truth "men, whose lives glided on like rivers that water the woodlands; darkened by shadows of earth, yet reflecting an image of Heaven."

Hon. J. E. Sinclair: Honourable senators, it is very rarely that I rise to say a word about departed members, but I feel that there are circumstances connected with the passing of the late Senator Copp which justify my speaking at this time. I was associated with him for the last thirty-two years in one or other of the Houses of Parliament.

As others have pointed out, Senator Copp was a student of law at Dalhousie Law School and Harvard University, Cambridge, Massachusetts, and he received the degree of LL.B. in 1894. He was admitted to the Bar of his native province of New Brunswick in the following year, and practised his profession in his home town of Sackville from that time until he retired from professional activities. I knew him very intimately. He

was always the same, and had many friends in all walks of life. People consulted him on matters wholly outside his profession, and looked to him as a counselor and guide, and he held the respect of all.

I first became closely associated with Senator Copp when parliament moved into this building, in 1920. We then were both members of the other house and were assigned to the same room; this we occupied until after the election of 1920, when the late senator was appointed Secretary of State and moved to a room of his own. After coming to this house, Senator Copp shared a room for some years with the Right Honourable George P. Graham, the then senator from Brockville. My room-mate was the honourable senator from Kootenay East (Hon. Mr. King). In 1942 the honourable gentleman from Kootenay East was appointed to succeed the late Senator Dandurand as leader of the government in the Senate, and early in 1943 the Right Honourable George P. Graham died. Senator Copp then came to me and asked if we could not arrange to occupy a room together once again. I remember it distinctly. I told him the matter was all in his own hands, and that it would be a pleasure to me to do as he suggested. That was done, and we have been room-mates ever since.

I came to respect him very highly. I do not think I ever knew a man who had so much character and lived up to it. His advice was always given when required and was always sound. One so close to him as I was saw a side of his character which raised it above the level of that of the ordinary person. He was good to everybody, especially to the poor; to the limit of his ability he contributed, without any flare, to anyone whose need came to his attention. I cannot speak too highly of the character of Senator Copp.

I know that during the years when he and Mrs. Copp lived here in Ottawa, as many who are here today will remember, they were very much attached to each other, and the sickness that laid her aside was the one thing that worried him. He really wished from the bottom of his heart that he would be spared to live till after she was gone. Well, that was not to be. But I know that she is provided for in a material way as well as if he had continued to live. I am not aware that Senator Copp has any other close relatives living, except a sister in Western Canada. I should like to join with the leaders on both sides of the house in expressing our most sincere sympathy.

I also wish to associate myself with what has been said about the loss of one of our senators from the newly added province of Newfoundland. It is sad indeed that we should lose a young man like Senator Penny, so recently appointed to this chamber. Though new to our ways and to our rules, he was beginning to fit in very nicely with the work of the house. I was greatly pleased to meet him, as I know all senators were, and I join sincerely in the sentiments of condolence expressed by the leaders and others to his wife and family.

NATIONAL DEFENCE BILL

CONCURRENCE IN COMMITTEE AMENDMENTS

The Senate proceeded to consideration of the amendments made by the Standing Committee on Banking and Commerce to Bill J-5, an Act respecting National Defence.

Hon. Salter A. Hayden: Honourable senators, it has occurred to me that in considering these amendments honourable members would like to know the substance of some of the more important of them. The committee made in all seventy-four amendments. In some instances, where the amendment related to the navy, army and air force, the same amendment had to be made to three sections. In the main the purpose of the amendments was to provide what the committee regarded as full protection for individual members of the armed services who might at any time find themselves under some disability before a court martial or other official disciplinary body. The National Defence Act has incorporated in it a code of service discipline, and it was necessary, therefore, that this bill spell out the procedures dealing with the rights of an accused person.

I wish to refer very briefly to a few of the more important amendments, which are set out in the *Minutes of the Proceedings of the Senate of Canada.*

Amendment No. 23 deletes clause 103 of the bill as it came before the committee. This clause, which was very broad and severe in its terms, provided as follows:

> Every person who unlawfully sets fire to any equipment, defence establishment or work for defence is guilty of an offence and on conviction is liable to imprisonment for life or to less punishment.

The committee substituted a new clause 103, in even broader terms, in the following language:

> Every person who wilfully or negligently or by neglect of or contrary to regulations, orders or instructions, does any act or omits to do anything, which act or omission causes or is likely to cause fire to occur in any equipment, defence establishment or work for defence is guilty of an offence and on conviction, if he acted wilfully, is liable to imprisonment for life or to less punishment, and in any other case is liable to imprisonment for less than two years or to less punishment.

Amendments 25, 26 and 28 deal with procedure before a court martial, and set out the

rights of an accused person. Three amendments were necessary because the sections amended—135, 136 and 137—deal with the navy, the army and the air force respectively. In these cases we made it a requirement that where a proceeding is being carried on by way of a summary trial, the officer in charge must inform the accused person of his right to have the evidence taken on oath. That becomes of some importance when one follows through the procedure as to appeals which accused persons have from such a proceeding.

Amendment 31 is important. It has to do with section 150, which deals with the right of an accused person to be represented before a court martial. So that there may be no uncertainty about this section, and no question of leaving it to rest upon regulations that may subsequently be enacted, we have written into the bill the following substantive clause:

> At any proceedings before a court martial the accused person shall have the right to be represented in such a manner as shall be prescribed in regulations.

I understand that the representation will vary, depending upon the seriousness of the offence with which the accused is charged.

Amendment 45 deletes clause 188 of the bill, which has to do with the right of appeal by an accused person, and substitutes redrafted clause 188, so that no formality in the preparation of a statement of appeal would be required. A form for the statement of appeal is to be supplied to the accused when he has been convicted, but no informality in connection with the preparation of that statement will militate against the rights of such accused person.

Amendment 49 deletes sub-clause 3 of section 191 of the bill. At the insistence of the members of the committee sub-clause 3 was redrafted so as to state clearly the position of a person who has been convicted on a number of charges, and where on appeal the conviction on one or more of the charges has been set aside, leaving some convictions outstanding against him. The subsection is rewritten to clarify the procedure for the purpose of determining the quantum of sentence in relation to the conviction or convictions remaining against the accused.

Amendment 54 adds a new sub-clause 4 to clause 199 of the bill, which gives to a convicted person the right, under certain circumstances, to request a new trial. The amendment removes all doubt about the position of a person who has been convicted and has served part of his sentence, and then discovers fresh evidence. Under the amendment he may apply for a new trial, and if the court, after hearing the additional evidence concludes that the conviction should stand, the question of sentence is then considered. Assuming, as I have said, that the new trial confirms the finding of "guilty", the sentence which was cancelled or suspended pending the new trial is restored, and the accused does not serve any additional time beyond that prescribed following his original trial.

Amendment 60 deletes clause 216 of the bill. It relates to the protection of officers and men acting in the line of duty under the code of service discipline. It also applies to that portion of the bill which relates to procedures to be followed when the military is called out in aid of the civil power. The committee felt that officers and men should have ample and clear protection in relation to anything done by them in the execution of their duty.

I should call the attention of the house to the closing paragraph of the report of the committee. There were a number of sections in the bill which dealt with the expenditure of money—what we ordinarily call "money clauses"—and as the Senate cannot initiate bills dealing with money matters—and this bill originated in the Senate—the committee deleted from the bill the clauses set out in the last paragraph of the report. Those clauses will of course be restored when the bill is considered in the other place.

Those, honourable senators, are the major amendments contained in the report.

In conclusion I may say, by way of explanation, that the committee had before it the present Attorney General for Canada and senior representatives of the various armed services. Throughout the meetings all members of the committee, and the representatives of the department, evidenced a sincere desire to get into statute form something which would reflect the best thinking in the interest of the defence of Canada, and which would join together the various armed services for disciplinary purposes. It was a co-ordinated effort to work out provisions which would not be unduly severe in their application against persons who, unfortunately, may run foul of military regulations. When suggestions were made by various members of the committee a sincere effort was made to consider them, and in most cases they were carried into the amendments. The work of the committee was directed towards maintaining a proper spirit in the armed forces, and making doubly sure that the rights of the ordinary service man would be protected in the same way as those of the highest officer.

Hon. Mr. Nicol: Am I to understand that if, under section 199, a man asks for a new trial and his application is granted, and he is again found guilty and the old sentence re-imposed, there can be no mitigation of that sentence?

Hon. Mr. Hayden: No. This situation might occur: a man may have been court-martialled and convicted; he may have gone through, but without success, all the procedure for mitigation of sentence, and then new evidence may develop which is of such a nature that he is granted a new trial. As a consequence, of course, the original conviction and the original sentence would have to be cancelled. But if as a result of the new trial he is again convicted, the sentence which was originally imposed upon him is restored. At that stage, however, there would still be open to him the procedure applicable under the bill for the mitigation or commutation of the sentence, just as though it was then imposed for the first time.

Hon. Mr. Reid: Anyone who has looked over the amendments must realize the splendid job which the committee have done in reviewing the bill. However, I wonder whether their examination extended to subsection 8 of section 121, which it seems to me, amounts to one law for the rich and another for the poor. In the case of exactly the same offence a reduction in rank shall not be imposed on an officer of or above the rank of lieutenant-colonel, but a major may be reduced in rank. It looks to me as though an old air force rule is being kept in force. I have never been able to see why the same punishment for the same type of crime should not be imposed on a private and a general. But here, as I have pointed out, a major can and a lieutenant-colonel cannot be reduced in rank. Did the committee give any consideration to that provision? If they did, I should like to know why it was not changed. Could it be that they are implementing a regulation made by lieutenant-colonels themselves? I do not know. But that is my first question.

Hon. Mr. Hayden: The committee had several acting chairmen, and as I came in at a late stage in the proceedings I am afraid I cannot answer the question.

Hon. Mr. Reid: There is discrimination under this clause, and I would like to have it considered before the bill is passed, because in my opinion once the bill becomes law nothing will ever be done about it.

My other question has to do with a point of law, and perhaps a layman should not make any suggestion regarding the law. But, referring to section 141, it seems to me that it should contain a provision that any advocate appointed should be a member of the Judge Advocate-General's Branch. When a man is brought before a court some question of law may be involved, and the person appointed to act for him may not know the fine points of procedure. I think an accused should have the advantage of being represented by an advocate who belongs to the Judge Advocate-General's Branch. The clause reads:

> Such authority as is prescribed for that purpose in regulations shall appoint a person to officiate as judge advocate at a General Court Martial.

It does not require that he shall be a lawyer.

Hon. Mr. Hayden: May I point out to my friend that apparently the procedure before the court martial is that some person representing the Judge Advocate-General's office must be present for the purpose of advising the court with respect to admissibility of evidence and any other points of law that may come up. The matter of the representation of an accused person is entirely different. Substantive authority is provided for under the new section 150, and regulations to be passed under this bill will deal with the representation of an accused person. But that is something entirely separate and distinct. The Judge Advocate-General's representative is not an advocate in the ordinary sense; he is there as an adviser to the court martial on questions of law, and invariably he is a lawyer.

I move concurrence in the report of the committee.

Hon. Mr. Golding: Before these amendments are concurred in, I should like to take this opportunity of expressing to the various chairmen who sat on this committee my appreciation of the splendid work they did. The clauses were carefully scrutinized and considered, and the committee concerned with this bill did a job which is worth mentioning in complimentary terms. I have had some experience of parliamentary committees, and I have been deeply impressed with the splendid work which has been done by all Senate committees whose proceedings and discussions I have had an opportunity to attend.

There is another remark which I should make at this time. I know that the Senate's method of procedure in respect of its business has been criticized. Having been here now for a considerable time, let me say that in my opinion the Senate would make a mistake were it to attempt to create here a second House of Commons. At one time, I believe, its rules were relaxed. I do not think that any further encroachments in that direction would be for the benefit of the Senate, and I feel that I should say so at this particular time.

Although I may be out of order, while I am on my feet I should like to pay tribute to the honourable senator from Rosetown (Hon. Mr. Aseltine) and the leader of the opposition

(Hon. Mr. Haig) for their fine work as chairman and vice-chairman respectively of the Divorce Committee.

I may add that the kindly reception which greeted me when I came to this honourable body, and the great friendliness shown to me since that time, will never be erased from my memory. I sincerely hope that neither by word nor act nor thought shall I do anything to bring discredit to this chamber.

Hon. Arthur W. Roebuck: May I thank the honourable senator who has just sat down for observations which I myself had in mind to make on this occasion, and particularly for his reference to the value of our committee work?

I feel that the two senators who served as chairmen of the Banking and Commerce Committee are entitled to some recognition for the services they rendered in relation to this bill; I also feel that the Senate itself has grounds for some satisfaction in this connection.

Seventy-four amendments have been proposed in the report of the committee. I sat through nearly all the committee meetings, and was impressed with the effectiveness of the system of sitting around a table and discussing the various clauses of the bill. Each one of these amendments is to the twelfth draft of the bill. This means that the bill had been mulled over by the Judge Advocates of the various services, the Judge Advocate General and his assistants, and finally by the Department of Justice. It is rather remarkable that each of the seventy-four amendments was made with the consent of the Judge Advocates, who were present at the committee meetings.

I also want to pay tribute to the Honourable Hugues Lapointe, former Parliamentary Assistant to the Minister of National Defence and now Solicitor General, who headed the military delegation. He maintained a good-natured and open-minded attitude throughout the sittings, and his lack of arrogance and his readiness to accept amendments, when they seemed to be sound, are to be commended.

I think I can speak on behalf of all members, and put on record the gratitude of the committee to the various officers who sat through the long sittings and furnished valuable information on innumerable occasions. I do not know that I can name these officers in proper order, but I do not suppose it makes much difference what precedence they enjoy when being referred to in this house. There was Brigadier R. J. Orde, C.B.E., Judge Advocate General; Major W. P. McClemont, E.D., Assistant Judge Advocate General; Wing Commander H. A. McLearn, Deputy Judge Advocate General, and Commander P. R. Hurcomb, R.C.N., Judge Advocate of the Fleet. These four men, together with the minister, supplied us with a surprisingly large amount of information on military law and procedure, and they contributed greatly to the success which I think the committee achieved.

Honourable senators, while I concur in all seventy-four amendments, I should like to move additional amendments to two clauses remaining in the bill. It is my understanding of the rules that I am privileged to move that the house go into Committee of the Whole for the purpose of considering this bill, but I suppose I should do this after the report of the committee has been approved.

Hon. Mr. MacLennan: When the amendments have already been concurred in, what is the Committee of the Whole going to do—not concur in them?

Hon. Mr. Robertson: Honourable senators, I have no objection whatsoever to the bill being referred to the Committee of the Whole, but if it is desired to proceed in this way I would ask my honourable friend from Toronto-Trinity (Hon. Mr. Roebuck) to let the matter stand until the appropriate officials can be brought before us. Technical officials should be available here to enable me or some other honourable senator to present the reasons why any amendments proposed should or should not be concurred in.

The Hon. the Speaker: As I understand it, after the report has been concurred in a motion for third reading should be made, and then an amendment that the bill be not read the third time would be in order.

Hon. Mr. Haig: That is the correct procedure.

Hon. Mr. Roebuck: I should like to ask for some indulgence from this house. Remember, honourable senators, this is a new procedure to us. I recollect only one occasion when we have gone into Committee of the Whole since I came to the Senate. I have not been able to get much assistance from a reading of the rules, and so I trust that you will pardon me.

The Hon. the Speaker: Will the honourable senator allow me to interrupt him? He is out of order at present. When the motion for concurrence in the report is carried, it will then be moved that the bill be read the third time, and in amendment to that motion the honourable senator may move that the bill be not read the third time now but that the Senate go into Committee of the Whole on the bill.

Hon. Mr. Roebuck: That will be entirely satisfactory. I give notice now that I intend to move such an amendment tomorrow.

Hon. Mr. Haig: May I say just a word? We should vote on the committee's report first, and if the amendments are concurred in it would then be in order to move the third reading of the bill as amended. Then my honourable friend from Toronto-Trinity (Hon. Mr. Roebuck) could move the adjournment of the debate until tomorrow, and in the meantime he could intimate to the leader of the government what amendments he proposes to move. That would enable the leader to seek advice from departmental officials; in fact, he could have the officials present tomorrow and consult them from time to time. Then when the bill comes up tomorrow the honourable gentleman from Toronto-Trinity could move in amendment that the bill be not now read a third time but be referred to Committee of the Whole.

The Hon. the Speaker: Honourable senators, the question is on the motion of Hon. Senator Hayden, seconded by Hon. Senator Howard, that the report be concurred in.

Hon. A. K. Hugessen: Honourable senators, there are a few remarks that I wish to make before the motion is voted upon. I wish to concur in what has been said by previous speakers as to the work of the committee that dealt with this bill. The Judge Advocate General and the chiefs of the legal branches of the three services were present at all meeting of the committee and gave a great deal of assistance.

What struck me particularly about the whole bill was what one might call its humanity. It seemed to me that the principal part of the bill, which is a code of service discipline, had obviously been designed to give every opportunity for a fair trial to any man who happened by some mischance to fall foul of the code's provisions. That, I venture to suggest, is something rather new in military history. It is not always that the man in the ranks of the army or navy has had a fair trial, and the reason for that is, I think, fairly obvious. Our militia bills stem from many years back, even from centuries back, at a time when, to be perfectly frank, the military and naval forces of Great Britain were recruited from the dregs of the population. The men had no rights whatever, and it might have been considered dangerous to give them any rights. It is not much more than one hundred years ago since the British navy was recruited by press gangs, which went around the streets of towns in the dead of night and picked up all the drunk and disreputable men that could be found. The same was more or less true of the army. Some honourable senators may remember the story told of an inspection made by the Duke of Wellington shortly before the battle of Waterloo. After looking over a new regiment which had been sent out to him from England he said, "I do not know how these men will appear to the enemy, but, by God, they frighten me." Well, that indicates the kind of men recruited by Great Britain for her army and navy about a hundred and fifty years ago, and it was for that kind of men that the service discipline of the two forces was designed.

But conditions now are entirely different. Today we have what one might almost call a civilian army, a civilian navy and a civilian air force. At one of our committee meetings, only three or four weeks ago, the Minister of National Defence told us that to be eligible for enlistment in the permanent armed services of this country a boy now had to have a high school leaving certificate. So honourable senators will appreciate the vast difference there has to be between the code of service discipline necessary to deal with our Canadian boys who enlist in the services today and the code that must have existed in the former years of which I have spoken.

I have only one more thing to say, and that is to re-emphasize what some senators said a few moments ago. It does seem to me that the work done by the committee on this bill is a rather striking example of the valuable work which committees of this house can do. At all meetings of the committee the Solicitor General and four representatives of the services were present and were extraordinarily helpful to us with their suggestions and comments on various sections of the bill. Owing to shortage of time there is no likelihood that the bill will be adopted in the other house this session, but I think that next session we shall have a good workable measure to submit to parliament.

The motion was agreed to and the report was concurred in.

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

Hon. Mr. Robertson: Tomorrow.

Hon. Mr. Roebuck: When the bill comes up tomorrow I shall move in amendment that it be not read a third time but be referred to the Committee of the Whole.

EXCISE TAX BILL

SECOND READING

On the Order:

Second reading, Bill 175, an Act to amend the Excise Tax Act.

Hon. Mr. Robertson: Honourable senators, I have asked the honourable gentleman from Toronto (Hon. Mr. Hayden) to handle this bill.

Hon. Salter A. Hayden moved the second reading of the bill.

He said: Honourable senators, this bill should not give us much concern, for when taxes are coming down people are usually in a fairly happy frame of mind. What this bill seeks to do is give legislative sanction to tax reductions that in the main have been in force since March of this year. It will be noticed that the bill contains fourteen sections, and that eight of them deal with tax reductions. The revenue which is lost to the Government of Canada by reason of the reduction in rates on some items, and the repeal of taxes on others would, in the fiscal year, amount to approximately $96 million.

The sections which deal with reductions in rates are Nos. 1, 3, 5, 9, 10, 11, 12 and 13. By some of the sections there is a complete repeal of certain taxes, as for instance by section 1, which repeals parts IV and V of the Excise Tax Act. Part IV imposed a tax on cable, telegraph and telephone messages and on telephone extensions. Part V imposed a tax on transportation tickets or rights of transportation and on seats, berths, and other sleeping accommodation. By way of illustration, I may say that the amount of revenue gained in the past fiscal year from the tax on these items amounted to approximately $29 million.

Section 3 of the bill repeals sections 76 and 77 of the Act, which deal with excise tax on matches on the basis of so many matches to a box. This tax is to be replaced by a percentage tax of ten per cent. The revenue loss by reason of this change is approximately $2 million.

Subsection 9 of section 80 of the Act, which is repealed by section 5 of the bill, imposed a tax of one cent per bottle on soft drinks; and by another section in the Act a tax of 25 per cent was levied on this commodity. The revenue earned from those taxes during the past fiscal year was almost $28 million.

Part XVII and Schedule VI of the Act are repealed by sections 9 and 13 of the bill, respectively, which have to do with the retail purchase tax on jewellery, fountain pens and similar items. There is a proposed change over from the 25 per cent tax on the retail price to a 10 per cent tax on the manufacturer's price.

Other taxes which are repealed are, for instance, the tax on motor buses, candies, chocolates and chewing gum. The total revenue gained from taxes on these items in the past fiscal year amounted to approximately $27 million.

Other articles on which the retail purchase tax has been changed to a lower tax on the manufacturer's prices are such things as toilet articles, lighters, slot machines, trunks, luggage of all kinds, smokers' accessories, fountain pens, carbonic acid gas and tires.

When taxes are being taken off or substantially reduced, I suppose our attitude in the main should be not to reason why. We should gladly accept the reduction and bid the government keep up the good work.

Hon. Mr. Howard: Right.

Hon. Mr. Hayden: Sections 2, 4 and 8 of the bill are administrative. Section 2 simply permits the use of a postage meter for affixing postage stamps for purposes for which excise stamps ordinarily would be used. For instance, if a man wants to put a stamp on a cheque, and he has only a postage stamp meter, the bill gives legal authority for the use of the postage stamp meter. As everyone knows, the practice, when one does not have an excise stamp, is to use a postage stamp on a cheque. Under the Act one could not use the postage stamp meter for stamping a cheque, although he could affix a postage stamp by hand. The bill gives sanction to what has been the practice for some time.

Section 4 of the bill makes it an offence for one to have in one's possession unstamped cigarette papers. Quantities of this article are easily removed in small bundles from a factory, and the department has learned that a substantial loss of revenue is suffered because of illicit traffic in these papers.

The next section I wish to refer to is section 8.

Hon. Mr. Davies: Before the honourable senator goes to section 8, may I ask him if the taxes referred to in section 6 are increases or decreases?

Hon. Mr. Hayden: I was going to deal with section 6 later, but I can refer to it now. Paragraph (a) of section 83(1) provides for a decrease. May I deal with that a little more fully? Apparently the export apple market was dwindling by reason of the fact that the United Kingdom is not taking apples from us in the quantity that it once was. Representations were made to the government indicating that there would be a substantial market for fermented cider containing not more than 7 per cent absolute alcohol by volume. In order to encourage that trade, and so provide some outlet for the apple crop, the tax has been reduced. In the case of wines of any kind containing not more than 7 per cent absolute alcohol by volume,

the tax is 25 cents per gallon. The rates of tax on wines containing more than 7 per cent of proof spirit remain exactly as they are in the Excise Tax Act. Paragraph (a) of this section does provide a reduction, otherwise the tax would be 50 cents per gallon. The department feels that in providing that the content be not more than 7 per cent absolute alcohol by volume, it is encouraging the development of a new market for fermented cider. It still remains to be seen whether that market will be developed or not.

I now come to section 8.

Hon. Mr. Davies: Do paragraphs (b) and (c) of section 83 (1) cover reductions?

Hon. Mr. Hayden: No, those clauses exist in the present section 83, but not exactly in the same form. Section 83 as it now stands provides as follows:

(a) a tax of fifty cents per gallon on wines of all kinds, except sparkling wines, containing not more than forty per cent of proof spirit;

(b) a tax of two dollars and fifty cents per gallon on champagne and all other sparkling wines.

One can see there is no change with respect to paragraphs (b) and (c); all that has been done is squeeze something out of paragraphs (a) and (b) of section 83 of the Act, and make a new paragraph (a).

May I go for a moment to section 8? Subsections 8 and 9 of this section read as follows:

(8) Where any question arises in a proceeding under this Act as to whether the minister has formed a judgment or opinion or made an assessment or determination, a document signed by the minister stating that he has formed the judgment or opinion or made the determination or assessment is evidence that he has formed the judgment or opinion or made the determination or assessment and of the judgment, opinion, determination or assessment.

(9) In any proceedings under this Act a certificate purporting to be signed by the deputy minister that a document annexed thereto is a document or a true copy of a document signed by the minister shall be received as evidence of the document and of the contents thereof.

The reason for that change is that in a recent court case such a certificate of the minister was rejected as evidence because, the trial judge said, there was no statutory authority for admitting it. The amendment is not as ominous or important as it may sound; I for one am not ready at any time lightly to give up established rights or to weaken the processes of proof.

But let me refer to section 113, subsection 8 of the Excise Tax Act:

Where a person has, during any period, in the opinion of the minister, failed to keep records or books of account as required by subsection one of this section, the minister may assess

(a) the taxes or sums that he was required, by or pursuant to this Act, to pay or collect in, or in respect of, that period, or

(b) the amount of stamps that he was required, by or pursuant to this Act, to affix or cancel in, or in respect of, that period, and the taxes, sums or amounts so assesed shall be deemed to have been due and payable by him to His Majesty on the day the taxes or sums should have been paid or the stamps should have been affixed or cancelled.

All that means is that the ordinary method of proof seems to consist of two steps: first, that the minister shall have formed the opinion that the particular person failed to keep records, and shall then make the assessment; and in order that there may be evidence of the two essentials referred to in section 113 (8) the legal advisers feel it necessary to have certificates to establish, first, that the minister finds that the person has failed to keep books of account as required, and second, the assessment in respect thereof.

Another section of similar import is section 98, which merely provides that:

Where goods subject to tax under this Part or Part XI of this Act are sold at a price which in the judgment of the minister is less than the fair price on which the tax should be imposed, the minister shall have the power to determine the fair price . . .

It is to put the matter in a form which would be admissible in a court proceeding that section 8 in the bill before us provides for a certificate of the minister indicating his judgment and determination.

One other section to which I might refer is section 87 of the Excise Tax Act, which deals with goods manufactured or produced in Canada under circumstances or conditions which render it difficult to determine the value thereof for consumption or sales tax. In these circumstances the minister may determine the value for tax purposes. Provision is now made for a method of proof; that is by production of a certificate which may be filed and be accepted in evidence in a proceeding for the purpose of collecting such tax, and so obviate the necessity of the minister going into court and giving evidence.

I should refer also to sections 5 and 7. The wording is pretty much the same, and they relate to the same subject-matter, except that section 5 deals with excise tax and section 7 with sales tax. At the present time excise tax and sales tax are collected on a watch movement. If a person selects a case and works and a jeweller puts them together, the taxes are on the parts. But by sections 5 and 7 it is declared that the operation by which a clock or watch movement is put into a clock or watch case, and other related acts are done, constitute a manufacturing operation, and the taxes are to apply on the finished article: that is, excise and sales taxes are imposed at the level of the finished product instead of, as heretofore, on the various components.

Hon. Mr. Reid: If one were simply to have a wrist-strap attached to a watch, would the provisions of these clauses apply?

Hon. Mr. Hayden: If the man went to a jeweller and said, "With that particular type of works, that particular case, that particular crystal and that special type of strap, all of which you have, I want you to make me a wrist-watch," the taxes would apply to the completed wrist-watch.

There is one other feature which I should mention. Last October a further reduction of sales tax arose through the repeal of a tax which theretofore applied on fuel oil. The estimated saving to the people of Canada as a result of this reduction will amount to about $4,000,000.

I have now discussed all the provisions of the bill. Most of what it proposes is a *fait accompli*, and gives legal sanction to benefits which the people are already enjoying; so I do not propose to refer the bill to any committee unless some honourable senators feel that it should be sent there after having received second reading.

Hon. W. D. Euler: The honourable senator from Toronto (Hon. Mr. Hayden) has explained that the amendments contained in this bill are made only in order that the law will conform to the provisions in the Budget; and, as he has said, the changes are almost entirely in the direction of reductions of taxes. I have no objection to make to any item named in the bill, although I, in common I suppose with almost all other citizens, would have liked to have seen the reductions made a little larger and perhaps a little more numerous. In speaking of them as being numerous, I have before me a list of the exemptions from sales tax, and it is to one phase of these exemptions that I propose to address myself.

If you look through the list of exemptions in the schedules you will find that they extend to almost six pages. Schedule III, which I think is the most important, deals with foodstuffs. I may, perhaps, be pardoned if I give a list, a very incomplete list, of some of the foodstuffs which are exempt from sales tax.

Hon. Mr. Haig: I hope butter is not included.

Hon. Mr. Euler: Butter is here. It begins with—

Barley; Bread; Butter; Cheese; Eggs; Egg albumen and Egg yolks; Glucose; Honey; Ice; Lard; Rice; Salt; Soups; Split Peas; Sugar; Yeast . . .
Bakers' cakes and pies . . .
Cereal breakfast foods . . .
Fish . . .
Flour . . .
Fruit . . .
Grain . . .
Jams, jellies . . .
Maple syrup . . .
Meats and poultry . . .
Milk . . .
Peanut Butter and Shortening . . .

Hon. Mr. Robertson: We are past the "M's".

Hon. Mr. Euler: Then follow—

Spaghetti . . .
Vegetables . . .
Vegetable juices . . .

I have named these merely to show that the list of articles exempted from sales tax is a pretty long one. These are foods, and I think that if anything is entitled to exemption from taxes it is the food of the people. I might continue the list, but I shall merely cite a few headings to show that the law goes a good deal further than the exemption of foods which are most important. For instance, among the items I find bees, and beet pulp. I suppose the latter is food for animals and not for human beings; but food is listed for fur bearing animals whose pelts have commercial value. I think this should interest my honourable friend from Mount Stewart (Hon. Mr. McIntyre). Then there is oil cake, which is also food for animals. I think, too, that the newspapers get off pretty lightly in the matter of sales tax.

Hon. Mr. Nicol: Oh, no.

Hon. Mr. Euler: Oh, yes, they do. I happen to be in the business myself.

Hon. Mr. Nicol: There is no sales tax on magazines and weekly newspapers.

Hon. Mr. Euler: I would put it to the Post Office authorities as to just how far the newspapers are exempt. There are exemptions on such things as building materials and so on, but I am not going to deal further with them. When I was talking about foodstuffs I noticed that some honourable senators were smiling. They probably guessed I would argue that the policy of sales tax on foodstuff is entirely inconsistent because there is no exemption in the case of that good wholesome food, margarine.

Some Hon. Senators: Oh, oh.

Hon. Mr. Euler: I speak quite seriously because margarine is now a recognized food product in this country, and is a great boon to Canadians.

Hon. Mr. Roebuck: That is right.

Hon. Mr. Euler: The only reason it does not appear here is that when the list was prepared no such commodity as margarine was manufactured or sold in Canada.

Hon. Mr. Horner: There is still no such product in some of our provinces.

Hon. Mr. Euler: I am coming to that. Margarine is now a legal commodity in all provinces except two.

Hon. Mr. Horner: I am in favour of the bill if it imposes a sales tax on margarine.

Hon. Mr. Euler: I knew that my honourable friend from Blaine Lake (Hon. Mr. Horner) would take this stand. He is just as unreasonable in this instance as he has been about any legislation I have presented in the past. I would put it to the good judgment of all honourable senators, whether or not they were opposed to my Dairy Industry Bill, that margarine is now a recognized food of the Canadian people, and that it should not be discriminated against. I need not enlarge on exemptions on commodities other than foodstuffs, because surely food should rank first in importance. I say it is an anomaly not to have margarine included in the list of exempted commodities. This is emphasized by the fact, which possibly some members are not aware, that our good province of Newfoundland is not charged a sales tax on margarine. Actually it is charged a sales tax, but at the end of each month a remission is made by order in council on any sales tax imposed.

Hon. Mr. Hayden: That was one of the provisions of the agreement.

Hon. Mr. Euler: It is now the law that the individual provinces can deal with the matter of margarine, but not the sales tax on it. The provinces of Quebec and Prince Edward Island have entirely prohibited the manufacture and sale of margarine, and much to my regret all the other provinces indulge in the reactionary practice of preventing the colouring of margarine. I am not going to go into that because it is a matter of provincial authority, but I think it is regrettable that the Dominion Government should exercise discrimination in anything, as between the various provinces. At the present time, in each province where margarine is manufactured and sold, a sales tax is levied on the product, increasing the price to the consumer by about 3 cents a pound. No sales tax is levied in Newfoundland, and I do not think the argument requires any enlargement. It should be self-evident, even to my honourable friend from Blaine Lake, (Hon. Mr. Horner), who is so unalterably opposed to margarine. I think that even he has to admit that it is a recognized food in this country, as it is in his own province. I maintain that margarine should not be singled out for discrimination.

I seem to be a sort of sponsor of lost causes, and I had thought of introducing a bill in relation to this matter. But I found that my impression was right, and that I could not bring in a bill to place margarine on the sales tax exemption list, because it would affect the revenues of the country. I also thought I might introduce a motion on the subject, similar to the one I recently raised on daylight saving. I did not do so, but I suggested to certain officials of the government that as the Excise Tax Act is now being amended, it would be a simple and just matter to include margarine in the list of foods exempted from sales tax. I have a faint hope that this will be done at the next session; and if it is I feel sure it will meet with the approval of the Canadian people, because on the basis of an eight cents a pound sales tax, the price of margarine should be reduced by about 3 cents.

Hon. Mr. Horner: I do not expect that we will have to deal with it next year, because I am hoping for a favourable decision from the Privy Council.

Hon. Mr. Euler: You will never get it. If you do, you will only find another bill introduced here to repeal the prohibition.

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: Now.

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

VETERANS' LAND BILL

SECOND READING

Hon. Wishart McL. Robertson moved the second reading of Bill 218, an Act to amend the Veterans' Land Act, 1942.

He said: Honourable senators, in attempting to explain the intent and purposes of this bill, I wish to say that the legislation proposed therein is the result of administrative experience over the years. It is hoped that this new legislation will overcome most of the problems that have to some extent hampered the veterans' land administration in providing completely for veterans the benefits to which they are entitled under the Act. It has been found that the original Act of 1942, which was passed under economic conditions different from those which now prevail, did not provide for certain contingencies which, perhaps, could not have been visualized at that time.

The bill does not extend benefits originally intended for veterans under the Act, except with respect to what is called the "insurance principle". Honourable senators will recall that in 1946, pension was made available with

respect to disabilities that were incurred during the service of the veteran concerned, and irrespective of whether they were or were not attributable to, or the result of, such service. As the act now stands, the benefits are available to three classes of veterans, namely, those whose service involved duties required to be performed outside of the western hemisphere, those who served only in the western hemisphere but for more than twelve months, and, lastly, those who served anywhere for even less than twelve months but who are in receipt of a pension for a disability incurred as a result of such service. This bill, in section 1, extends the last class by providing that the disability need not have been incurred as a result of service if it did, in fact, occur during service.

Honourable senators are aware that a fundamental principle of the Act is that lands be made available to veterans on the basis of the cost of such lands to the director. This is a sound principle, and it has been followed by the administration over the years as closely as possible, but there are cases where it is difficult for the director to determine the actual cost to him of certain properties. An example would be where the director has received title to property at a nominal price, or where the director, after having acquired title to a large block of land, has disposed of parts of it, and the remaining part has to be valued for settlement purposes. It is intended that the director have power to place a proper value on these lands, but that it cannot be in any case less than the amount that has been actually expended therefor.

Certain problems which are now confronting the administration and which, perhaps, could not have been visualized at the time the Act was passed, are dealt with in the proposed new section 9A. It may be noted that there is at present in the Act no provision to take care of a situation where a veteran who has already been established under a land contract finds that for some good reason it is necessary for him to take up his residence in another locality—often, another province. Sometimes it would be of benefit to the veteran and to the director to sell part of the property under contract; but that cannot be done in the usual way. This bill provides for a substitution of the land by some other land, and for the sale of part of the land and application of the proceeds to the purchase of other lands, or to effecting improvement on the remaining land, or to reducing the amount owing under the contract, or to reducing the cost to the director. It also provides that, where property under contract to a veteran is being expropriated by the Crown, the transaction can be regarded as an ordinary sale of the property concerned and the compensation can be used as in the case of a sale. As a safeguard against successive substitutions of land in the contract, the bill provides that substitution can take place only once.

As honourable senators are aware, machinery is provided in the Act to terminate contracts of veterans who may be in default after their cases have been considered by the appropriate provincial Advisory Board. It sometimes happens that a veteran is ready to dispense with this formal procedure and give a quit claim deed to the director for his interest in the land. The bill authorizes the director to take such a release without having to go through formal termination proceedings. As the Act now stands, the director has authority to dispose of lands that have reverted to him by rescission of contracts. It is believed that in the interest of good administration the director ought to have authority to sell any lands that he may own, for cash, at a price not less than the cost of the property to him.

The bill also provides, in new section 19, for the disposition of any surplus that may arise from the release of any property by the director. In such a case, in order to determine the amount of any surplus there may be, it is necessary to examine the old contract and ascertain what was owing by the veteran at the time the contract was cancelled, and then add to that amount the various amounts which are set out in paragraphs (b) to (e) of subsection (2) of section 19. These together will set out the debt owing on that land, but credit will be given against the amount for any income derived by the director since the termination of the agreement. The balance will then be the figure which will be used in making adjustments between the first veteran and the second veteran, or a civilian purchaser, on the resale of the property.

At present, where land has been sold pursuant to section 21 at less than its actual cost and it becomes necessary to accept prepayment before ten years have expired, the director is required to collect the full amount of the original cost and not the price at which it was sold. That works a hardship on veterans who purchased properties at a price that was determined after the writing-off of certain exorbitant costs which occurred during the first year or two of building construction. The bill provides that in the case of resale only the "written down" price is to be taken into consideration in adjusting accounts.

Honourable senators will remember that in the early days of construction considerable additional costs crept into the final cost of a great many houses—costs that arose from

constantly changing economic conditions. In order to deal fairly with veterans the government, under section 21 of the Act, authorized the appraisal and sale of such properties at prices that in most cases were considerably less than actual cost. The bill confirms that policy.

During the course of administration it has been found that many veterans have paid substantial amounts in excess of the property value at which the director could deal with them. For example, a veteran might have made a substantial payment of his own money at the time the property was purchased, or for various reasons he might have had a sizeable interest in the property before he approached the Veterans' Land Administration for the benefits under the Act. The new section 23A is designed to enable the director to release to the veteran, in proper cases, part of the property covered by the sale contract where the remaining property would have been sufficient at the time of the contract to warrant the financial assistance then given. In other words, it concerns property that was surplus to the security requirements of the Act at the time the debt was created. The bill will allow a veteran to secure title from the director of such property if the director believes that he can safely convey it to him as being surplus to the security requirements at the time the financial assistance was given.

A great many veterans have become settled on lands owned by the western provinces. In those cases they were able to obtain certain financial assistance from the director under the Veterans' Land Act. The bill provides that such settlers can give up their settlement rights on provincial lands and become settled on lands owned by the director if they are prepared to repay to the director any expenditures already made for them under the Act. Likewise, veterans who are settled in the ordinary way on lands owned by the director may give up those lands and take advantage of settlement opportunities on provincial lands if they repay to the director any expenditures already made on their behalf.

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

THIRD READING

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

Hon. Mr. Robertson: 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.

EMERGENCY GOLD MINING ASSISTANCE BILL

SECOND READING

On the Order:

Second reading, Bill 219, an Act to amend the Emergency Gold Mining Assistance Act.

Hon. Mr. Robertson: Honourable senators, I have asked the honourable gentleman from Toronto (Hon. Mr. Hayden) to handle this bill.

Hon. Salter A. Hayden moved the second reading of the bill.

He said: Honourable senators, the purpose of this bill is to amend an Act which was passed in 1948 with, I think I can say, the general approval of honourable members of both houses. The basis for that Act was the recognition that the cost of producing gold had greatly increased and that the selling prices were fixed. The purpose behind the legislation passed was to provide assistance to gold mines during the years 1948, 1949 and 1950.

The Act provided a rate of assistance of one-half the amount by which a mine's average cost of producing an ounce of gold exceeded $18. Total assistance, however, could not exceed $16 per ounce produced.

In the case of old mines, the Act provides for payment on the amount by which the gold produced and sold in a designated year exceeded two-thirds of the gold produced in the base year. The base year in most cases was the 12-month period ending June 30, 1947.

With reference to new mines, payment was made on the entire production in the first year of production, which, in this case, became its base year. Payment to new mines, after the first year of production, was based on the amount by which the gold produced and sold in a designated year exceeded two-thirds of the first year's production.

Before I deal with the amendments contained in the bill, may I digress for a moment to tell the house how this arrangement works out? I should point out that the report on administration of the Act for the fiscal year ended March 31, 1949 shows that assistance payments actually made up to the end of April 1949, in respect of the designated year 1948, amounted to $7,593,516.12. The assistance per ounce of gold produced and sold in the year 1948 amounted to $3.20. It may be noted from the report that five mines produced gold at a cost of between $18 and $25 per ounce; thirty-six between $25 and $35 per ounce; and forty-six at more than $35 per ounce.

Information is not yet complete as to the total amount of assistance payable for the year 1948. The auditing of the books of accounts and records of some mines has not been finished. The usual practice is to make an advance payment of 80 per cent on account of what may be coming to the mines not qualified. Of 104 mines which, up to September 30, have made application for assistance in respect of 1948, information is available for only 64.

I have before me a detailed statement as of September 30 this year, which, with the permission of the Senate, I should like to put on the record. This statement shows the amounts of assistance payable, and the number of ounces of gold produced and sold by Canadian gold mining operators in the designated year 1948, as compiled up to September 30, 1949. It shows that assistance payments made up to this date, with respect to 1948, amount to $9,597,010.82. The total amount of assistance payable on the basis of applications received amounted to $10,116,271.89. This total amount payable relates to 3,143,789.270 ounces of gold produced and sold in 1948, and the average assistance payable per ounce is $3.12.

(See Appendix A at end of today's report.)

Not until next year will it be possible to give information on the total amount of assistance paid under the Act in respect of gold produced and sold in the designated year of 1949.

I have on my desk another statement which, with the permission of the house, I should also like to place on *Hansard*. This shows particulars of assistance payments which have been made during the first nine months of 1949. These payments are in the form of advances up to 80 per cent, as permitted by the regulations made under the Act. The statement shows that the total assistance payments payable to 63 mines, as of the end of last September, amounted to $4,728,349.39, which is an average of $3.89 per ounce of gold produced and sold.

(See Appendix B at end of today's report.)

When complete information is available for the year 1949 the average rate of assistance will be less than the average amount paid to date, because, presumably, mines entitled to receive a high rate of assistance are the first to make application and to receive payments on account. The expectation is, however, that the total amount of assistance payable for the designated year 1949—and the information will not be complete until about the end of 1950—will be approximately $14 million. This means that about $24 million will have been dispersed by the government in respect of the first two designated years under the Emergency Gold Mining Assistance Act.

It is scarcely necessary for me to say that these payments have been of great assistance, and have kept in operation gold mines which were on a marginal basis. These mines have continued to operate with some measure of success; they have maintained, and in some cases increased, employment and earnings. In this way other industries dependent on the successful operation of the gold mines have continued their activities. In the mining areas there are towns and agricultural communities which, for the measure of prosperity which they enjoy, are entirely dependent on the operation of the mines.

I now come to the provisions of the bill. Shortly after the passage of the Act it became apparent that certain amendments should be made. Some of these amendments are contained in the bill now before the house. There was found to be a relatively small number of mines, which, for one reason or another beyond their control, were obliged to reduce the amount of gold formerly produced by them, and for which the Act failed to provide needed assistance.

Honourable senators will recall that new mines receive assistance in respect of their production for the first year of operation, and in the succeeding year received assistance on the basis of the amount by which that year's production exceeded two-thirds of the production during the first year; and that old mines received assistance on the basis of their production in excess of two-thirds of their production for the base period. The Act did not contemplate the situation of a mine which, because of conditions beyond its control, reduced its production instead of increasing it. May I give an illustration of what I mean? There may be two, three or four mines in a locality, all using the facilities of one mill. The quantity of ore going through this mill would be fixed by the agreement of the various properties supplying ore to that mill. There is no way in which the tonnage to be delivered to the mill by any property could be increased, unless one of the other properties decreased its tonnage. One must remember that some of the older properties are petering out, and the tonnage is decreasing. In these circumstances no assistance would be afforded to the mines under the provisions of the Act as originally passed. This bill would give relief to such mines by rendering assistance on the basis of one-third of their production.

Hon. Mr. Reid: May I interrupt my friend?

Hon. Mr. Hayden: Yes.

Hon. Mr. Reid: Has not some assistance been given to most gold mines, to the extent of $3.50 per ounce, by reason of the devaluation of the Canadian dollar?

Hon. Mr. Hayden: I was coming to that point later, but I may as well deal with it now. The benefits granted by the amendments incorporated in the bill do not become effective until the $3.50 per ounce has been exhausted. That is the way in which the ten per cent increase in the price of gold as a result of devaluation is affected by the terms of the bill which is now before us. A mine does not begin to get any assistance to which it might otherwise be entitled under the bill until its benefits exceed $3.50: that is, the mines are not left with the ten per cent benefit which results from devaluation.

In order to illustrate the way in which the amendments will work, I have obtained a statement containing examples of the effects of the application of the amendments as compared with what resulted under the original Act. At first I thought it might be advisable, if the Senate approved, to put the memorandum on *Hansard*. I thought it would complete the picture.

Some Hon. Senators: Agreed.

(*See appendix C at end of today's report.*)

Hon. Mr. Hayden: With that understanding, perhaps I should refer just to one or two examples.

If the production of an old mine in the base year, say ending June 30, 1947, was 30,000 ounces, and if production in the designated year, 1948, was 23,000 ounces, and if the rate of assistance was $10 an ounce, then the amount of the assistance payment under the proposed section 3 (2a) in the bill before us would be $76,666. But if we take the same set of figures and try to work out what the amount of assistance would be under the Act without the benefit of these amendments, we find that it would be $30,000.

Or take another example, that of an old mine which had a production of 30,000 ounces in its base period ended June 30, 1947. If production in the designated year—1948—was 20,000 ounces, and if the rate of assistance was at the same figure of $10 an ounce, the amount of assistance which the mine would get under the bill before us by virtue of the proposed section 3 (2a) would be $66,666. But if we take the same set of figures and try to work out the benefit which such an old mine would get under the present Act, we find that it would be nil, because 20,000 ounces would be exactly two-thirds of the base period production of 30,000 ounces. Therefore, nothing would have been produced in excess of two-thirds of the base period production, and under this Act the mine would be entitled to no benefit whatever.

It is estimated that the cost by way of payments out as a result of the amendments and the extension of benefits provided in the bill before us, up to and including the designated year, 1948, will be $391,000, and to this sum the government will be committed on the basis of the figures it now has.

It was found necessary to make another amendment in order that the Act shall be equitably administered in relation to mines which in one designated year reduce to concentrates all or part of the ore produced by them, and at a later date reduce the concentrates to bullion, whether this latter process takes place at the mine or at a smelter some distance away. Some mines have made a practice of producing concentrates in one year and next year making their bullion. The situation which obviously would result from such a proceeding would be that in the year in which the concentrates were produced the costs would be high in relation to the earnings of the company, and in the following year the cost in relation to earnings would be low. For this reason we have the amendment before us in the bill, under which it may be provided by regulation that the production of bullion for purposes of calculations under this bill and under the Act will be related to the year in which the concentrates are produced, so as to get a fairer level of cost on which to apply this formula.

The bill also contains, in section 2, a paragraph denoted (*ee*), to permit the Governor in Council to make regulations prescribing that where a mine during any of the three designated years produces gold in concentrates, and does not produce bullion from such concentrates until a year later, the bullion which is produced from such concentrates shall be deemed to have been produced in the earlier year. That is the section which deals with the point I have just developed, where there is a division in years as between the production of concentrates and the production of bullion.

It will be noted that all these amendments are retroactive. Since the admitted purpose is to correct situations which it was intended should be fully covered in the original Act, but were not, because their full significance was not then anticipated, and since the policy is one of general relief, and not discriminatory, it is only fair that the provisions should be made retroactive.

Honourable senators will recall a statement which the minister made in another place on September 21, as to the policy of the govern-

ment under this Act with respect to assistance to be extended in the future, in view of the devaluation of the Canadian dollar in terms of the American dollar. I have just answered a question on that point by the honourable senator from New Westminster (Hon. Mr. Reid), and there is a section in the bill before us which deals with it. It is proposed during the designated year 1950 to reduce the total amount of assistance payments made to any mine by an amount equal to $3.50 an ounce for each ounce of gold to which the rate of assistance under the present Act applies. This in effect means that any mine whose rate of assistance during 1950 is $3.50 per ounce or less will receive nothing; and those mines whose rates of assistance are more than $3.50 an ounce will receive the difference between $3.50 and the amount to which they would be entitled under the present Act.

Hon. Mr. Burchill: That should reduce the payments considerably, should it not?

Hon. Mr. Hayden: I expect it will. I believe the average of the payments per ounce in 1948 was $3.22, and it was estimated that the amount in 1949 might be as high as $3.89, but it may be even lower than that. But these are only averages: undoubtedly some mines will qualify for a fairly substantial additional payment.

Hon. Mr. Horner: But a mine not qualifying for any assistance would get the $3.50?

Hon. Mr. Hayden: Yes. The only mines which will qualify under the Act will be those that will qualify for a rate of assistance in excess of the amount of the premium on gold as a result of devaluation. It may well be that the year 1950 will mark a very substantial decrease in the amount of payments under this bill.

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

THIRD READING

The Hon. the Speaker: When shall this bill be read a third time?

Hon. Mr. Robertson: Now.

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

FISH INSPECTION BILL

CONCURRENCE IN COMMITTEE AMENDMENTS

The Senate proceeded to consideration of the amendments made by the Standing Committee on Natural Resources on Bill 63, an Act respecting the Inspection of Fish and Marine Plants.

Hon. Mr. Robertson: Honourable senators, in the absence of the chairman of this committee (Hon. Mr. McDonald), I move concurrence in the amendments.

The motion was agreed to.

THIRD READING

The Hon. the Speaker: When shall this bill be read the third time?

Hon. Mr. Robertson: I move the third reading of the bill.

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

BANKRUPTCY BILL

CONCURRENCE IN COMMONS AMENDMENTS

The Senate proceeded to consideration of the amendments made by the House of Commons to Bill F, an Act respecting Bankruptcy.

Hon. Wishart McL. Robertson moved concurrence in the amendments.

He said: Honourable senators, these amendments, which are printed in our Minutes of Proceedings and in the Votes and Proceedings of another house, have been sent back to us by that house for concurrence. I may say that the department is quite agreeable to the amendments, but I am not in a position to explain them to the house in any detail. Many of them are of a minor nature; but if honourable senators are not ready to concur in them, I would ask that they be referred to one of our committees, where they could be considered individually.

Hon. Mr. Moraud: Are there any material changes?

Hon. Mr. Robertson: The amendments appear at page 286 of our Minutes of Proceedings and, as I have said, are quite agreeable to the department.

Hon. Mr. Haig: Honourable senators, I am one of those in this house who is extremely anxious to get this bill through. It will certainly assist the business interests of this country. I do not want to see it back on our doorstep a year from now, because this is the third session in a row that we have dealt with it. If the bill were referred to committee, there would undoubtedly be those who would be desirous of making further changes, and I personally would like to see these amendments concurred in now.

Some Hon. Senators: Question!

The motion was agreed to.

CRIMINAL CODE BILL

SECOND READING

On the Order:

Second reading of Bill 10, an Act to amend the Criminal Code—(Hon. Mr. Haig).

Hon. Mr. Haig: Honourable senators, there is a mistake here. This order should appear not in my name but in that of the honourable senator from Toronto (Hon. Mr. Hayden). I may say that I did read the bill through and get the necessary material ready. Last night after we adjourned I went to another place to listen to the debate, and while I was there a messenger came to me and said that the honourable leader of the government (Hon. Mr. Robertson) wanted me to explain the bill today. This was most unusual, and I said to him that there must be some mistake. He replied, "No, we have to have it, because we want to print it". I said, "All right, but I am not going to leave here; I want to listen to the debate". This morning I went up to the room of the honourable senator from Toronto to discuss the bill with him, and he said, "I am explaining that bill". I would therefore ask the honourable senator from Toronto (Hon. Mr. Hayden) to handle this bill.

Hon. Salter A. Hayden moved the second reading of the bill.

He said: Honourable senators, for its size this bill has had more publicity across Canada than any other legislation during this session except, possibly, the Combines Investigation Act. For its size the bill seeks to accomplish an important job. It attempts to deal in general terms with the publication and distribution of what are called "crime comics" or "crimics"—a newly coined word which is quite a corruption of the two words, but which I think might become a part of our dictionary in the near future.

In its present form the bill simply amends section 207 of the Criminal Code. The amendment involves the repeal of the present section, and its re-enactment with some omissions and some slight changes in order.

If honourable senators compare paragraph 1 of section 207 of the proposed amendment with the first paragraph of the present Act, they will see that these paragraphs are practically the same, except that the words "knowingly, without lawful justification or excuse" have been left out of the amendment. The reason for this is that representations have been made by various provincial attorneys-general, to the effect that the general application of these words has made prosecution under this section a very difficult task. It was felt that it was logical to take these words out of the first part of section 207, because the section deals with everyone who "makes, prints, publishes, distributes, circulates, or has in possession . . ." It was considered that these are matters a person would know about, and therefore these words "knowingly, without lawful justification or excuse" should not enter into the question of essential proof by the Crown. So it will no longer be necessary for the prosecution to prove knowledge on the part of an accused charged under section 207 (1) (a).

Then clause (b) has been added to this subsection to deal with crime comics. It reads:

Every one is guilty of an indictable offence and liable to two years' imprisonment who

(b) makes, prints, publishes, distributes, sells or has in possession for any such purpose, any crime comic.

For a definition of "crime comic" one looks to subsection 3:

"Crime comic" means in this section any magazine, periodical or book which exclusively or substantially comprises matter depicting pictorially the commission of crimes, real or fictitious.

It will be noticed that the subsequent provisions of section 207 deal with the matter of proof and the function of a judge. Subsection 4 says:

No one shall be convicted of any offence in this section mentioned if he proves that the public good was served by the acts alleged to have been done, and that there was no excess in the acts alleged beyond what the public good required.

That subsection is already in the Code as subsection 2 of section 207. There has simply been a change in its order, so as to make it applicable as well to the newly created offence of making, printing, publishing, distributing, selling or possessing any crime comic.

Subsection 5 says:

It shall be a question for the judge whether such acts are such as might be for the public good, and whether there is evidence of excess beyond what the public good required; but it shall be a question for the jury whether there is or is not such excess.

The judge has to determine in the first instance whether there is evidence of excess, but even if he rules that there is, it is for the jury to find whether in fact there is or is not such excess. I should point out that this subsection is already a part of section 207, and that merely its position in the section has been changed.

Subsection 6 provides:

The motives of the accused shall in all cases be irrelevant.

That subsection also is in the present section 207, but as subsection 4.

Subsection 7 is new. It reads:

It shall be no defence to a charge under subsection one that the accused was ignorant of the nature or presence of the matter, picture, model, crime comic or other thing.

That is to say, any one charged with making, printing, publishing, distributing, circulating or having in his possession any obscene written matter, picture, model or other thing, or any one charged with making, printing, publishing, distributing, selling or possessing any crime comic, will not be able to plead that he was ignorant of the nature or presence of the matter, picture, model, crime comic, and so forth.

In dealing with subsection (1) (b) of section 207 I think that undoubtedly some consideration must be given to the injurious effect which crime comics may have upon the growing generation. While I am not one to advocate any great extensions of paternalism in government, nor one who could support particular censorship of a particular thing, I feel that by enacting these general provisions which create an offence, yet leaving it to the court in each case to decide whether or not the offence has been committed, parliament will have dealt with the matter in as broad and general a way as is practicable. I am not able to say whether many people are likely to be convicted of the new offence, but I should think the mere fact that section 207 is one under which few people would care to find themselves convicted—a section dealing with obscenities in books, pictures and models—might have the effect of reducing the number of crime comics offered for sale.

Hon. John T. Haig: Honourable senators, I have nothing to add to the discussion on the legal points, but I wish to say a word or two about the origin of this measure. When a bill or any new matter comes before us I always wonder how it happened to be introduced, and I made it my business to inquire what caused a young member of the other house to bring in this one. He told me that about three years ago the secretary of a teachers' federation in British Columbia wrote to him complaining about the effect of crime comics on children in the district which the federation represented, and asking if he would take up the matter. He went on to say—if I may quote his words—"Well, I thought that probably some cranks had got into the teaching profession, but I wrote them a polite letter saying that I would consider their complaint, though honestly I felt there was not much I could do about it. But not long afterwards the secretary sent me copies of some crime comics, and when I saw them I just went up in the air".

However, he moved deliberately and carefully. He drew the matter to the attention of the then Minister of Justice, now the Right Honourable Mr. Justice Ilsley of the Nova Scotia Supreme Court, who expressed the opinion that there was a good deal in the teachers' complaint, and more or less encouraged the young honourable member to pursue the matter.

The sponsor first introduced his bill last session, but there was not time to deal with it before dissolution of parliament. He admitted to me that in any event that bill would not have succeeded in accomplishing the desired object, because he had worked it in accordance with the present section 207 of the Code, under which it has been necessary to prove that the accused acted knowingly. However, such general approval of the bill was expressed in the Commons that the Minister of Justice wrote to the Attorneys General of the provinces and asked their opinion of the bill. All approved of it, except the Attorney General of Ontario, who said he wished further time to consider it. Then this bill was drafted. It was said in the other house that if the original bill had been passed no provincial Attorney General would have prosecuted under it, for the record shows that the necessity of proving knowledge on the part of the accused has made it extremely difficult to obtain convictions under section 207 in the past.

The chairman of one of the committees of the American Bar Association is keeping a close eye on what parliament is doing with this bill and is seriously recommending that similar legislation be enacted in the United States. So far, however, no step along the line of this bill has been taken over there.

I do not think there will be many convictions under this amended section 207, because, as was suggested by the honourable senator from Toronto (Hon. Mr. Hayden) it probably will not be necessary to prosecute many people under it. A news-dealer who consults his lawyer may be advised that an offender would stand a good chance of escaping conviction, but public opinion among Canadians —I am thinking not of cranks, but of people in all walks of life, including members of religious and educational organizations—has been practically unanimous in support of some such legislation as this, and I feel that few news-dealers would care to carry on business in defiance of so strong a public opinion. If a school teacher could not judge the effect of such literature, I do not know who could.

I am very happy to support the bill, and I am pleased that a young man in the house of Commons—

Hon. Mr. Moraud: In the other place.

Hon. Mr. Haig: —took the time, in spite of much discussion about our problems of finance, the marketing of our goods and conditions in Europe, to consider legislation for the benefit of the youth of this country.

Some Hon. Senators: Hear, hear.

Hon. Arthur W. Roebuck: Honourable senators, I wish to say a few words about this bill.

I think we are all agreed on the desirability of the target aimed at. The ordinary crime comic book is a degrading thing, if it actually depicts the commission of a crime.

After seeing the play *Othello* not long ago, I decided that I would never again go to see it because it depicts the commission of crimes on the stage. There is the murder of a woman right in front of the audience, and several other crimes of a most revolting nature. It occurred to me that such a drama dulls the keen edge of the conscience of one who is susceptible to looking at that sort of thing. That is Shakespeare, and I do not suppose this measure would go so far as to ban *Othello*.

The describing of the commission of a crime in print is objectionable. But this is new legislation and we have had very little discussion about it. Only a very short time elapsed between the passing of the bill in the House of Commons and the consideration of it here today. The drafting of the bill is open to some question, but I am ready to vote for second reading provided the bill is sent to a committee. Within the past half hour I have had a telephone message from Toronto to the effect that certain publishers desire to say something to us before we pass this bill. Those persons, or their representative, can be here tomorrow or the next day.

Hon. Mr. Haig: Tomorrow.

Hon. Mr. Robertson: There is a meeting of the Banking and Commerce Committee tomorrow morning.

Hon. Mr. Roebuck: Very well, I will reply to them that we will hear what they have to say tomorrow morning.

There has been, of course, a good deal of general discussion in times gone by about crime comics and crime stories of all kinds. The paper-covered novel of the cheaper type has perhaps done a great deal of damage to young people and older persons too. I do not like this type of literature, but I must recognize that we have never before legislated in this regard. I say we should go carefully, and by that I do not mean that we should go slowly. I should be very pleased if this bill were referred to a 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 Banking and Commerce.

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX A

The Emergency Gold Mining Assistance Act

AMOUNTS OF ASSISTANCE PAYABLE AND OUNCES OF GOLD PRODUCED AND SOLD BY CANADIAN GOLD MINE OPERATORS IN RESPECT OF THE DESIGNATED YEAR 1948 AS AT SEPTEMBER 30, 1949

(F) Signifies that holdback payment has been made and therefore assistance payable has all been made

Operator of Mine	Location of Mine	Period Designated Year 1948	Ounces Produced and Sold During Period	Assistance Payable
1. Aunor Gold Mines, Ltd. (F)	Ont.	12 mos.	57,079·368	$ 99,949.26
2. Atkinson Dredging Co., Ltd.	B.C.	12 mos.	985·780	15,772.48
3. Burwash Mining Co., Ltd.	Yukon	12 mos.	644·289	4,051.36
4. Buffalo Ankerite Gold Mines, Ltd. (F)	Ont.	12 mos.	31,276·924	55,808.32
5. Belleterre Quebec Mines, Ltd. (F)	Que.	12 mos.	42,087·088	61,584.58
6. Broulan Porcupine Mines, Ltd. (F)	Ont.	12 mos.	15,026·751	17,385.83
7. Bidgood Kirkland Gold Mines, Ltd. (F)	Ont.	12 mos.	11,268·288	71,016.52
8. Bonetal Gold Mines, Ltd. (F)	Ont.	12 mos.	4,916·279	30,241.30
9. Bralorne Mines, Ltd.	B.C.	12 mos.	74,876·256	150,092.15
10. Bremner, Mr. John	Yukon	12 mos.	198·062	901.23
11. Bradbury, Cooper & Adams, Messrs.	Yukon	12 mos.	86·587	1,385.39
12. Bates Creek Placers, Ltd.	Yukon	12 mos.	876·280	7,711.26
13. Bratsberg, Mr. Birger	Yukon	12 mos.	561·231	1,657.61
14. Barker-Ray, Ltd.	Yukon	12 mos.	262·271	4,196.34
15. Cole, Messrs, M. D. & L. G.	Yukon	12 mos.	353·941	3,239.14
16. Chesterville Mines, Ltd. (F)	Ont.	12 mos.	37,484·378	112,325.17
17. Canadian Malartic Gold Mines, Ltd. (F)	Que.	12 mos.	32,805·714	71,351.23
18. Consolidated Beattie Mines, Ltd. (F)	Que.	12 mos.	49,824·507	579,033.79
19. Cariboo Gold Quartz Mining Co., Ltd.	B.C.	12 mos.	22,756·566	112,628.82
20. Currie & Huley, Messrs.	Yukon	12 mos.	139·937	2,238.99
21. Central Patricia Gold Mines, Ltd. (F)	Ont.	12 mos.	42,359·097	102,580.76
22. Coniaurum Mines, Ltd. (F)	Ont.	12 mos.	33,858·949	96,463.71
23. Cons. Central Cadillac Mines, Ltd. (F)	Que.	12 mos.	15,558·491	241,724.03
24. Cochenour Willans Gold Mines, Ltd.	Ont.	12 mos.	34,089·140	60,903.32
25. Cons. Mining & Smelt. Co. (Con Mine)	N.W.T.	12 mos.	39,714·716	244,859.15
26. Clear Creek Placers, Ltd. (F)	Yukon	12 mos.	2,489·053	11,775.61
27. Delnite Mines, Ltd. (F)	Ont.	12 mos.	33,789·031	95,001·89
28. Dome Mines, Ltd. (F)	Ont.	12 mos.	155,467·149	183,577.13
29. Donalda Mines, Ltd. (F)	Que.	Oct.–Dec.	2,553·151	39,144.91
30. East Malartic Mines, Ltd. (F)	Que.	12 mos.	38,964·607	160,440.17
31. Elder Mines, Ltd. (F)	Que.	12 mos.	11,800·020	105,281.74
32. Feichtinger, Mr. John	Yukon	12 mos.	143·951	575.25
33. Giant Yellowknife Gold Mines, Ltd.	N.W.T.	June–Dec.	27,420·390	267,074.60
34. Gould, Messrs, R. S. & J. A.	Yukon	12 mos.	154·945	1,009.82
35. Geometal Mines, Ltd. (F)	B.C.	May–Dec.	77·934	1,246.94
36. Hasaga Gold Mines, Ltd. (F)	Ont.	12 mos.	22,078·658	155,124.76
37. Hollinger Cons. Gold Mines, Ltd. (Hollinger Mine) (F)	Ont.	12 mos.	264,766·165	620,724.25
38. Hollinger Cons. Gold Mines, Ltd. (Ross Mine) (F)	Ont.	12 mos.	19,383·261	95,269.40
39. Hollinger Cons. Gold Mines, Ltd. (Young-Davidson Mine) (F)	Ont.	12 mos.	23,006·860	49,508.67
40. Hoyle Mining Co., Ltd. (F)	Ont.	12 mos.	8,309·520	44,449.60
41. Hosco Gold Mines, Ltd. (F)	Que.	Sept.–Dec.	1,975·684	31,610.94
42. Hallnor Mines, Ltd. (F)	Ont.	12 mos.	45,216·224	19,776.69
43. Hedley Mascot Gold Mines, Ltd.	B.C.	12 mos.	13,685·850	15,961.83
44. Island Mountain Mines, Ltd.	B.C.	12 mos.	16,907·021	33,544.66
45. Jeep Gold Mines, Ltd., The	Man.	12 mos.	7,607·420	29,174.45
46. Kluane Dredging Co., Ltd.	Yukon	12 mos.	1,794·950	16,621.24
47. Kelowna Exploration Co., Ltd.	B.C.	12 mos.	42,071·858	117,985.13
48. Kenville Gold Mines, Ltd. (F)	B.C.	12 mos.	9,731·748	155,707.96
49. Kootenay Central Mines, Ltd. (F)	B.C.	12 mos.	741·604	8,817.90
50. Kerr-Addison Gold Mines, Ltd. (F)	Ont.	12 mos.	166,673·850	145,263.05
51. Kirkland Lake Gold Mining Co., Ltd. (F)	Ont.	12 mos.	39,310·463	75,691.92
52. Little Long Lac Gold Mines, Ltd. (F)	Ont.	12 mos.	25,367·784	129,656.86
53. Lamaque Mining Co., Ltd. (F)	Que.	12 mos.	71,797·265	93,917.13
54. Lake Shore Mines, Ltd. (F)	Ont.	12 mos.	143,984·718	165,932.13
55. Louvicourt Goldfield Corp. (F)	Que.	12 mos.	16,372·474	226,709.71
56. Leitch Gold Mines, Ltd. (F)	Ont.	12 mos.	27,361·138	26,049.55
57. Matachewan Cons. Mines, Ltd. (F)	Ont.	12 mos.	26,696·124	59,512.98
58. Malartic Goldfields, Ltd. (F)	Que.	12 mos.	60,215·458	241,051.98

APPENDIX A—Concluded

(F) Signifies that holdback payment has been made and therefore assistance payable has all been made

Operator of Mine	Location of Mine	Period Designated Year 1948	Ounces Produced and Sold During Period	Assistance Payable
59. Macassa Mines, Ltd.....(F)	Ont.	12 mos.	40,790·963	$ 83,954.27
60. Moccasin Mines, Ltd.....	B.C.	12 mos.	7,542·760	59,172.95
61. Medby & Sembsmoen, Messrs.....	Yukon	12 mos.	291·700	1,418.96
62. MacLeod Cockshutt Gold Mines, Ltd.....(F)	Ont.	12 mos.	40,303·406	126,343.74
63. McIntyre Porcupine Mines, Ltd.....(F)	Ont.	12 mos.	194,284·591	352,883.80
64. McKenzie Red Lake Gold Mines, Ltd.....(F)	Ont.	12 mos.	20,273·776	86,882.74
65. McMarmac Red Lake Gold Mines, Ltd.....	Ont.	12 mos.	4,060·424	693.70
66. Magnet Cons. Mines, Ltd. (Magenta Mine).....	Ont.	12 mos.	8,160·947	130,575.15
67. Madsen Red Lake Gold Mines, Ltd.....(F)	Ont.	12 mos.	35,227·993	67,315.17
68. Miller Creek Placers.....	Yukon	12 mos.	1,564·833	8,559.64
69. New Rouyn Merger Mines, Ltd.....(F)	Que.	12 mos.	3,590·990	57,455.84
70. New Marlon Gold Mines, Ltd.....(F)	Que.	12 mos.	11,015·868	174,140.72
71. Negus Mines, Ltd.....	N.W.T.	12 mos.	23,303·143	130,792.03
72. Ogama-Rockland Gold Mines, Ltd.....	Man.	July-Dec.	8,673·696	68,322.70
73. O'Brien Gold Mines, Ltd.....(F)	Que.	12 mos.	29,214·860	71,791.58
74. Perron Gold Mines, Ltd.....	Que.	12 mos.	20,806·986	56,689.13
75. Paymaster Cons. Mines, Ltd.....(F)	Ont.	12 mos.	33,968·083	05,633.88
76. Pioneer Gold Mines of B.C., Ltd.....	B.C.	12 mos.	23,642·922	148,107.93
77. Porcupine Reef Gold Mines, Ltd.....(F)	Ont.	12 mos.	10,353·391	149,389.08
78. Pickle Crow Gold Mines, Ltd.....(F)	Ont.	12 mos.	46,461·001	84,686.45
79. Privateer Mine, Ltd.....(F)	B.C.	12 mos.	10,484·053	24,809.05
80. Pamour Porcupine Mines, Ltd.....(F)	Ont.	12 mos.	37,902·160	181,502.45
81. Powell Rouyn Gold Mines, Ltd.....(F)	Que.	12 mos.	15,180·070	72,614.60
82. Polaris-Taku Mining Co., Ltd.....	B.C.	12 mos.	34,228·965	313,281.84
83. Preston East Dome Mines, Ltd.....(F)	Ont.	12 mos.	53,114·764	145,103.81
84. Pamuchina, Mr. Peter.....	Yukon	12 mos.	51·701	413.42
85. Renabie Mines, Ltd.....(F)	Ont.	12 mos.	23,917·579	304,542.53
86. Rycon Mines, Ltd.....	N.W.T.	12 mos.	15,538·400	23,024.31
87. Summit Mines, Ltd.....	B.C.	12 mos.	2,828·980	43,382.41
88. Sheep Creek Gold Mines, Ltd.....	B.C.	12 mos.	8,273·878	6,498.35
89. Sigma Mines (Que.), Ltd.....(F)	Que.	12 mos.	68,762·891	157,058.88
90. Sladen Malartic Mines, Ltd.....	Que.	12 mos.	15,875·335	69,478.05
91. Sullivan Cons. Mines, Ltd.....(F)	Que.	12 mos.	31,418·061	108,112.50
92. Sylvanite Gold Mines, Ltd.....(F)	Ont.	12 mos.	44,501·936	93,035.81
93. Senator-Rouyn, Ltd.....(F)	Que.	12 mos.	19,114·091	98,733.49
94. Stadacona Mines (1944), Ltd.....(F)	Que.	12 mos.	25,065·410	74,671.73
95. Starratt-Olsen Gold Mines, Ltd.....(F)	Ont.	Sept.-Dec.	4,229·788	67,676.60
96. San Antonio Gold Mines, Ltd.....	Man.	12 mos.	45,497·950	65,994.12
97. Siscoe Gold Mines, Ltd.....(F)	Que.	12 mos.	16,211·994	8,081.34
98. Thompson-Lundmark Gold Mines, Ltd. (Kim Vein).....	N.W.T.	12 mos.	13,762·397	209,532.49
99. Teck-Hughes Gold Mines, Ltd. (Kim Vein).....(F)	Ont.	12 mos.	28,771·655	65,489.23
100. Toburn Gold Mines, Ltd.....	Ont.	12 mos.	14,226·627	52,487.57
101. Upper Canada Mines, Ltd.....(F)	Ont.	12 mos.	36,573·896	87,709.97
102. Wright Hargreaves Mines, Ltd.....(F)	Ont.	12 mos.	87,539·720	75,298.32
103. Yukon Explorations, Ltd.....(F)	Yukon	12 mos.	1,390·723	22,251.57
104. Yukon Consolidated Gold Corp. Ltd.....	Yukon	12 mos.	47,010·713	208,285.38
Total.....	.....	.....	3,143,789·270	$10,116,271.89

Therefore (1) the average assistance payable per ounce of gold produced and sold during 1948 amounted to $3.22 up to, and, including September 30, 1949.

(2) Assistance payments actually made up to the end of September, 1949, in respect of the designated year 1948 amounted to $9,597,010.82.

(3) Approximately 95 per cent of the amount of assistance payable in respect of the designated year 1948 had been paid as at September 30, 1949.

NOTES:

(a) Alpine Gold, Limited, has been overpaid in the amount of $3,311.14.
(b) Broulan Porcupine Mines, Limited, has been overpaid in the amount of $2,663.82.
(c) McMarmac Red Lake Gold Mines, Limited, has been overpaid in the amount of $9,349.74
(d) Privateer Mine, Limited, has been overpaid in the amount of $3,034.33.

APPENDIX B

The Emergency Gold Mining Assistance Act

AMOUNTS OF ASSISTANCE PAYABLE AND OUNCES OF GOLD PRODUCED AND SOLD BY CANADIAN GOLD MINE OPERATORS IN RESPECT OF THE DESIGNATED YEAR 1948 AS AT SEPTEMBER 30, 1949

Operator of Mine	Location of Mine	Period Designated Year 1948	Ounces Produced and Sold During Period	Assistance Payable
1. Anglo Rouyn Mines, Limited	Que.	6 mos.	5,032·973	78,313.06
2. Aunor Gold Mines, Limited	Ont.	6 mos.	32,925·688	47,245.77
3. Belleterre Quebec Mines, Limited	Que.	3 mos.	9,895·909	17,143.83
4. Bonetal Gold Mines, Limited	Ont.	6 mos.	2,509·002	17,229.73
5. Bralorne Mines, Limited	B.C.	6 mos.	40,744·653	78,754.84
6. Chesterville Mines, Limited	Ont.	6 mos.	15,474·847	44,571.26
7. Canadian Malartic Gold Mines, Limited	Que.	6 mos.	18,894·939	54,089.67
8. Cons. Duquesne Mining Company, Limited	Que.	6 mos.	782·816	12,525.05
9. Central Patricia Gold Mines, Limited	Ont.	3 mos.	9,994·569	34,385.97
10. Consolidated Beattie Mines, Limited	Que.	6 mos.	24,679·263	286,685.58
11. Coniaurum Mines, Limited	Ont.	6 mos.	17,102·964	53,913.50
12. Cons. Central Cadillac Mines, Limited	Que.	6 mos.	8,196·925	49,343.17
13. Cariboo Gold Quartz Mining Co. Limited	B.C.	6 mos.	8,585·425	33,185.94
14. Cons. Mining & Smelting Co. (Con Mine)	N.W.T.	6 mos.	24,814·002	142,423.07
15. Delnite Mines, Limited	Ont.	6 mos.	17,653·518	58,966.80
16. Dome Mines, Limited	Ont.	6 mos.	68,974·337	92,397.47
17. Donalda Mines, Limited	Que.	6 mos.	6,125·440	99,447.04
18. East Malartic Mines, Limited	Que.	6 mos.	24,383·519	141,988.48
19. Elder Mines, Limited	Que.	6 mos.	6,075·954	27,877.35
20. Giant Yellowknife Gold Mines, Limited	N.W.T.	6 mos.	21,031·271	336,500.34
21. Hasaga Gold Mines, Limited	Ont.	6 mos.	10,695·138	64,105.46
22. Hollinger Cons. Gold Mines, Ltd. (Hollinger Mine)	Ont.	Jan-Jun 17	123,370·767	331,120.27
23. Hollinger Cons. Gold Mines Ltd. (Ross Mine)	Ont.	6 mos.	8,938·138	52,163.14
24. Hollinger Cons. Gold Mines Ltd. (Young-Davidson Mine)	Ont.	6 mos.	13,528·091	26,016.40
25. Howe Sound Exploration Co. Ltd	Man.	June	3,269·418	52,310.69
26. Hosco Gold Mines, Limited	Que.	6 mos.	2,752·371	44,037.94
27. Island Mountain Mines, Limited	B.C.	6 mos.	9,301·412	21,696.48
28. Kelowna Exploration Co. Limited	B.C.	3 mos.	11,928·124	29,120.74
29. Kenville Gold Mines, Limited	B.C.	3 mos.	2,227·782	9,249.32
30. Little Long Lac Gold Mines, Limited	Ont.	6 mos.	12,016·876	71,736.61
31. Lake Shore Mines, Limited	Ont.	6 mos.	68,231·169	61,611.34
32. Lamaque Mining Co. Limited	Que.	6 mos.	52,428·900	110,977.87
33. Metachewan Cons. Mines, Limited	Ont.	6 mos.	11,546·599	25,828.73
34. Malartic Goldfields, Limited	Que.	6 mos.	42,488·528	195,119.00
35. McIntyre Porcupine Mines, Limited	Ont.	3 mos.	50,550·717	107,065.54
36. Macassa Mines, Limited	Ont.	6 mos.	22,300·957	57,580.62
37. MacLeod Cockshutt Gold Mines, Ltd	Ont.	6 mos.	22,765·506	81,836·25
38. McKenzie Red Lake Gold Mines, Limited	Ont.	6 mos.	11,477·674	39,530.10
39. Madsen Red Lake Gold Mines, Limited	Ont.	6 mos.	23,960·295	48,361.63
40. New Rouyn Merger Mines, Limited	Que.	3 mos.	132·629	2,122.06
41. Negus Mines Limited	N.W.T.	6 mos.	13,972·752	79,728.40
42. New Marlon Gold Mines, Limited	Que.	3 mos.	2,160·000	5,509.95
43. New Dickenson Mines, Limited	Ont.	6 mos.	3,707·061	59,312.98
44. Ogama-Rockland Gold Mines, Limited	Man.	6 mos.	8,678·300	99,394.31
45. Pioneer Gold Mines of B.C. Limited	B.C.	6 mos.	15,261·912	80,823.82
46. Powell Rouyn Gold Mines, Limited	Que.	6 mos.	5,870·530	18,718.00
47. Pamour Porcupine Mines, Limited	Ont.	6 mos.	27,631·132	137,986.78
48. Porcupine Reef Gold Mines, Limited	Ont.	6 mos.	5,235·580	29,005.04
49. Polaris-Taku Mining Co., Limited	B.C.	6 mos.	15,348·772	136,100.75
50. Pickle Crow Gold Mines, Limited	Ont.	6 mos.	24,852·949	62,878.63
51. Paymaster Cons. Mines, Limited	Ont.	6 mos.	18,074·960	82,507.89
52. Preston East Dome Mines, Limited	Ont.	6 mos.	27,413·434	71,044.22
53. Renabie Mines, Limited	Ont.	6 mos.	15,486·460	71,398.53
54. Rycon Mines, Limited	N.W.T.	6 mos.	6,442·850	11,357.75
55. Sullivan Cons. Mines, Limited	Que.	6 mos.	20,404·424	68,749.64
56. Sylvanite Gold Mines, Limited	Ont.	6 mos.	23,864·164	61,455.61
57. Stadacona Mines (1944), Limited	Que.	6 mos.	12,655·896	38,344.88
58. Senator-Rouyn, Limited	Que.	Jan.-July 17	12,813·440	92,757.63
59. Sigma Mines (Que.), Limited	Que.	6 mos.	35,305·018	88,585.73
60. Starratt-Olsen Gold Mines, Ltd	Ont.	6 mos.	10,295·799	164,732.78

APPENDIX B

Operator of Mine	Location of Mine	Period Designated Year 1948	Ounces Produced and Sold During Period	Assistance Payable
61. Toburn Gold Mines, Limited	Ont.	6 mos.	7,682·902	30,124.31
62. Teck-Hughes Gold Mines, Ltd	Ont.	6 mos.	15,468·308	44,180.78
63. Upper Canada Mines, Limited	Ont.	6 mos.	18,194·358	55,072.87
Total			1,214,700·006	$4,728,349.39

Therefore (1) the average assistance payable per ounce of gold produced and sold during 1949 amounted to $3.89 up to, and, including September 30, 1949.

(2) Assistance payments actually made up to the end of September, 1949, in respect of the designated year 1949 amounted to $3,789,933.49 including an overpayment of $7,253.93 to Louvicourt Goldfield Corporation.

APPENDIX C

Emergency Gold Mining Assistance Act

TEN EXAMPLES SHOWING THE APPLICATION OF SECTIONS 3 (2) AND 3 (3) OF THE PRESENT ACT, AND OF THE PROPOSED SECTIONS 3 (2a) AND 3 (4)

Example 1

If the production of an old mine in the base year (to 30 June, 1947) was 30,000 ounces, if production in the designated year 1948 was 23,000 ounces, and if the rate of assistance was $10 an ounce, the amount of the assistance payment under the proposed section 3(2a) would be $76,666:

($\frac{1}{3}$ x 23,000) x $10
= 7.666 x $10
= $76.666

Example 2

If the production of an old mine in the base year (to 30 June 1947) was 30,000 ounces, if production in the designated year 1948 was 23,000 ounces, and if the rate of assistance was $10 an ounce, the amount of the assistance payment under section 3(2) of the present Act would be $30,000:

(23,000—($\frac{2}{3}$ x 30,000)) x $10
= (23,000—20,000) x $10
= 3,000 x $10
= $30,000

Example 3

If the production of an old mine in the base year (to 30 June, 1947) was 30,000 ounces, if production in the designated year 1948 was 20,000 ounces, and if the rate of assistance was $10 an ounce, the amount of the assistance payment under the proposed section 3(2a) would be $66,666:

($\frac{1}{3}$ x 20,000) x $10
= 6,666 x $10
= $66,666

Example 4

If the production of an old mine in the base year (to 30 June, 1947) was 30,000 ounces, if production in the designated year 1948 was 20,000 ounces, and if the rate of assistance was $10 an ounce, the amount of the assistance payment under section 3 (2) would be nil:

(20,000—($\frac{2}{3}$ x 30,000)) x $10
= (20,000—20,000) x $10
= nil x $10
= nil

Example 5

If the production of an old mine in the base year (to 30 June, 1947) was 30,000 ounces, if production in the designated year 1948 was 10,000 ounces, and if the rate of assistance was $10 an ounce, the amount of the assistance payment under the proposed section 3(2a) would be $33,333:

($\frac{1}{3}$ x 10,000) x $10
= 3,333 x $10
= $33,333

Example 6

If the production of an old mine in the base year (to 30 June, 1947) was 30,000 ounces, if production in the designated year 1948 was 10,000 ounces, and if the rate of assistance was $10 an ounce, the amount of the assistance payment under section 3 (2) would be nil:

(10,000—($\frac{2}{3}$ x 30,000)) x $10
= (10,000—20,000) x $10
= nil x $10
= nil

Example 7

If the production of a new mine in the base year (to 30 June, 1948) was 30,000 ounces, if production in that portion of the designated year 1948 which did not form part of the base year was at the rate of 20,000 ounces per year (15,000 ounces between January 1 and June 30; 10,000 ounces between July 1 and December 31), and if the rate of assistance was $10 an ounce, the amount of the assistance payment under the proposed section 3(4) would be $183,333:

($15,000 plus ($\frac{1}{3}$ x 10,000)) x $10
= (15,000 plus 3,333) x $10
= 18,333 x $10
= $183,333

Example 8

If the production of a new mine in the base year (to 30 June, 1948) was 30,000 ounces, if production in that portion of the designtaed year 1948 which did not form part of the base year was at the rate of 20,000 ounces per year (15,000 ounces between January 1 and June 30; 10,000 ounces between July 1 and December 31), and if the rate of assistance was $10 an ounce, the amount of the assistance payment under the present section 3(3) would be $150,000:

$$(15{,}000 \text{ plus } (10{,}000 - \tfrac{2}{3} \times \frac{30{,}000 \times 183}{365})), \times \$10$$

= (15,000 plus (10,000—$\frac{2}{3}$ x 15,000)) x $10
= (15,000 plus (10,000—10,000)) x $10
= (15,000 plus nil) x $10
= 15,000 x $10
= $150,000

Example 9

If the production of a new mine in the base year (to 30 June, 1948) was 30,000 ounces, if production in that portion of the designated year 1948 which did not form part of the base year was at the rate of 10,000 ounces per year (15,000 ounces between January 1 and June 30; 5,000 ounces between July 1 and December 31), and if the rate of assistance was $10 an ounce, the amount of the assistance payment under the proposed section 3(4) would be $166,666:

($15,000 plus ($\frac{1}{3}$ x 5,000)) x $10
= (15,000 plus 1,666) x $10
= 16,666 x $10
= $166,666

Example 10

If the production of a new mine in the base year (to 30 June, 1948) was 30,000 ounces, if production in that portion of the designated year 1948 which did not form part of the base year was at the rate of 10,000 ounces per year (15,000 ounces between January 1 and June 30; 5,000 ounces between July 1 and December 31), and if the rate of assistance was $10 an ounce, the amount of the assistance payment under section 3(3) would be $150,000:

$$15{,}000 \text{ plus } (5{,}000 - \tfrac{2}{3} \times \frac{30{,}000 \times 183}{365})) \times \$10$$

= (15,000 plus (5,000—$\frac{2}{3}$ x 15,000)) x $10
= (15,000 plus (5,000—10,000)) x $10
= (15,000 plus nil) x $10
= 15,000 x $10
= $150,000

THE SENATE

Wednesday, December 7, 1949

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

Prayers and routine proceedings.

INDUSTRIAL DEVELOPMENT BANK BILL

REPORT OF COMMITTEE

Hon. Salter A. Hayden presented the report of the Standing Committee on Banking and Commerce on Bill 210, an Act to amend the Industrial Development Bank Act.

He said: Honourable senators, the committee have, in obedience to the order of reference of December 2, 1949, examined the said bill, and now beg leave to report the same without any amendment.

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

Hon. Mr. Hayden: Now.

The Hon. the Speaker: It is moved by Honourable Senator Hayden, seconded by Honourable Senator David, that the report 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. Hayden: Now.

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

DEPARTMENT OF MINES AND TECHNICAL SURVEYS BILL

REPORT OF COMMITTEE

Hon. Salter A. Hayden presented the report of the Standing Committee on Banking and Commerce on Bill 212, an Act respecting the Department of Mines and Technical Surveys.

He said: Honourable senators, the committee have, in obedience to the order of reference of December 5, 1949, examined the said bill and now beg leave to report the same without any amendment.

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

Hon. Mr. Hayden: Now.

The Hon. the Speaker: It is moved by the Hon. Senator Hayden, seconded by Hon. Senator David, that the report be concurred in.

The motion was agreed to.

THIRD READING

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

Hon. Mr. Hayden: 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.

CANADIAN NATIONAL RAILWAYS FINANCING AND GUARANTEE BILL

REPORT OF COMMITTEE

Hon. Salter A. Hayden presented the report of the Standing Committee on Banking and Commerce on Bill 148, 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 1949, 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 December 5, 1949, examined the said bill and now beg leave to report the same without any amendment.

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

Hon. Mr. Hayden: Now.

The Hon. the Speaker: It is moved by Hon. Senator Hayden, seconded by Hon. Senator David, that the report be concurred in. Is it your pleasure to adopt the motion?

The motion was agreed to.

THIRD READING

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

Hon. Mr. Hayden: I move that the bill be read the third time now.

Hon. Mr. Haig: Honourable senators, I dislike to do this, but I would point out that when a bill is reported without amendment it is not necessary to have a motion for adoption of the report. In such a case the report is automatically adopted, without motion, and then it is in order to move third reading, unless someone objects.

Hon. Mr. Marcotte: I do not think that has been our practice, and I should like to have a ruling on it. A committee simply reports a bill and has no authority to say that the report shall be adopted.

Hon. Mr. Haig: I did not say it had. I said that if a committee reports a bill without

amendment the committee's report is automatically adopted, and unless someone objects the motion for third reading may then be made.

The Hon. the Speaker: I think the honourable leader of the opposition (Hon. Mr. Haig) is right.

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

CRIMINAL CODE BILL

REPORT OF COMMITTEE

Hon. Salter A. Hayden presented the report of the Standing Committee on Banking and Commerce on Bill 10, an Act to amend the Criminal Code.

He said: Honourable senators, the committee have, in obedience to the order of reference of December 6, 1949, examined the said bill and now beg leave to report the same without any amendment.

MOTION FOR THIRD READING

The Hon. the Speaker: When shall the bill be read the third time?

Hon. Mr. Hayden: Now.

Hon. Arthur W. Roebuck: Honourable senators, this bill was considered in committee this morning, and the house has now approved of the report of the committee without any amendment. The bill has made rapid progress, with very little representation from those most directly affected. Certain amendments were made to it in the other house on Monday, it came before this house on Wednesday, and we are now asked to pass it and make it law.

The bill contains one very drastic provision to which I should like to draw the attention of the house. It is contained in paragraph (b) of clause 207 (1), which appears on the first page of the bill and reads as follows:

> Everyone . . . who
> (b) makes, prints, publishes, distributes, sells or has in possession for any such purpose, any crime comic.

Honourable senators will observe that this clause applies not only to manufacturers but also to wholesalers and retail distributors of comic books and other such literature. According to the evidence heard in committee this morning there are in Canada some 10,000 retail outlets for comics, and the number of publications of a similar character is very large. The bill throws upon the shoulders of every manufacturer, distributor, wholesaler and small retailer, equally, the obligation of reading all the material in these magazines, books and periodicals, and of deciding whether or not they are crime comics—which is to a great extent undefined —and are in a way exercising an evil influence upon the public. This bill would make every small retailer a censor of what the public reads. Further, it would place an absolute responsibility on the retailer, for instance, to examine every page in every magazine which passes through his hands. This is an utter physical impossibility.

The manufacturer is in a somewhat different position. Honourable members will appreciate that all the magazines and periodicals which might be described in the words of this bill as crime comics are manufactured in Canada, and are not imported from the United States. There is a considerable industry in Canada producing these publications. It distributes, we are told, about 40 million books of this kind per year, and employs a large number of people. It is an important industry to this country.

But more important still is the very large number of people who read these books, for they are read not only by the youth of the country, but to a considerable extent by adults. So we are dealing with something which has a serious implication.

I take it that we desire to suppress publications which are vicious and which corrupt morals or lead youth astray, but that we are not anxious to suppress those which have the contrary effect. On those principles, I assume, the house is unanimous. But above all things we have no desire unnecessarily to destroy an industry or to embarrass the retail sellers of these publications. So I suggest that, as the manufacturer is the source of these publications—for he gets from the United States the plates from which he prints them—and as he has ample time and opportunity to inspect the plates or read the early proofs and consider whether their contents contravene the law, it is upon the manufacturer's shoulders that the full burden should rest. Let him be the censor of what, in this particular, Canadians should be allowed to read, and if he fails in his guess let the responsibility be his.

But I do think that we should have some consideration for the retailer, to whom these and other periodicals are shipped in great quantities and not hold him responsible for everything that passes through his hands whether he knows about it or not. Such a course is unnecessary because, as I have said, the government can completely control the source of all these periodicals. I understand that none are brought in from the United States; but if any of the description I have mentioned are imported, they must pass the Customs Department, where a censorship now exists or could soon be arranged for. It

follows that the issue before us is not as to imported matter, but as to publications manufactured domestically.

I propose, honourable senators, an amendment of section 207, subsection (1) (b), reading as follows:

(b) makes, prints, publishes, or has in his possession or knowingly distributes or sells, any crime comic.

The purpose of my amendment is to put the burden solely on the shoulders of the manufacturer.

Hon. Mr. Leger: I believe the honourable senator is not in order. He should first move that the house go into Committee of the Whole.

The Hon. the Speaker: I was about to say for the information of the honourable senator, that unless he is merely explaining what he has in mind as to the wording of an amendment, he should first move that this bill be not read the third time, but that it be committed for consideration to the Committee of the Whole.

Hon. Mr. Roebuck: I so move.

The Hon. the Speaker: Honourable senators, the question is now on the motion of the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck).

Hon. Mr. Haig: Just a word. I listened to the honourable gentleman's explanation of why he wants the bill amended. It would not be amiss to give a brief history of this bill. One of the private members of the House of Commons introduced a bill, to amend the Code by adding a section which he thought would prohibit the publication and sale of crime comics. We were informed in committee this morning that about 12 per cent of the literature distributed in the newsstands comes under this category. I do not know whether that figure is right, but I shall accept it.

When the bill which had been introduced by a private member in another place came up for second reading, the Minister of Justice said that he agreed with the principle of prohibiting the publication, sale and distribution of crime comics, but that he did not feel that the bill before the house would accomplish that end. He stated that if this section of the Criminal Code was to be amended, it should be altered in such fashion that its provisions could be enforced. The words "knowingly, without loss of justification or excuse" were to be taken out of the Act, and the minister said that he would consult the Attorneys General of the various provinces, because they were the ones who would have to enforce the law.

Hon. Mr. Nicol: That was in October.

Hon. Mr. Haig: Yes, and the minister quite properly consulted the Attorneys General, and the only one who hesitated and said that his province wanted to consider the matter further, was the Attorney General of Ontario. The various other Attorneys General agreed that if anybody were guilty of publishing and distributing crime comics, they should be convicted without the Crown having to prove that the publisher distributed the literature "knowingly". This has been the defence used in the past, making it difficult for the Crown to get convictions. Pursuant to consultation with the Attorneys General, the minister drafted the present bill and introduced it in the other place as a government measure.

Hon. Mr. Hugessen: Oh, no.

Hon. Mr. Haig: The Minister of Justice introduced it, and it is a government bill. The bill introduced by the honourable member from Kamloops (Mr. Fulton) was No. 9; this bill is No. 10. This bill was substituted for the original bill when it was before committee.

Hon. Mr. Hugessen: It is a public bill, but not a government bill.

Hon. Mr. Haig: What I meant was that it is not a private bill. The Minister of Justice appeared before our committee this morning; and in clear and plain language he said that he wanted this legislation, and that it complied with the wishes of the Attorneys General. If we want to give the law officers of this country power to prohibit the publication and distribution of crime comics and salacious literature, we have got to give them this legislation. We must not forget that it is the courts who enforce the law. My honourable friend from Toronto-Trinity (Hon. Mr. Roebuck) claims that the distributors will be forced into trouble, but I do not think so. Perhaps, by their own estimate, they will lose 12 per cent of the magazines they now sell, but more than likely they will sell other magazines instead.

I have read newspapers from all across Canada, and I have found no editorial which opposes this legislation.

Hon. Mr. Nicol: They are all for it.

Hon. Mr. Haig: Yes, every Canadian newspaper is for it. This bill has no political significance, and if we find in three or four years that we have been wrong—parliament has been wrong before—we can amend the law. I usually get from five to twenty-five letters of complaint from all over Canada on any other measure that affects the public at large,

but I may say no one has written or telephoned me to say that he objected to this bill. We are capable of forming our own judgment and do not have to follow the wishes of another place, but I may point out that not a single person in another place opposed this measure.

This industry is centred in Toronto, so I can quite understand the attitude of my honourable friend from Toronto-Trinity (Hon. Mr. Roebuck). He may feel that these people will be out of a job. But it must be remembered that the plates come from the United States and are censored in New York. I think it is about time we Canadians set up our own censorship. If the province of Ontario does not want to enforce this legislation, it does not have to, because it is the Attorney General of each province who enforces the law. For instance, there are laws against lotteries; but if the Attorney General of Manitoba says that we can have a lottery in that province, to raise funds for Christmas cheer for the poor, nobody can prevent the lottery.

Hon. Mr. Roebuck: Does my honourable friend contend that the Attorney General is under no obligation to enforce the criminal law of the country?

Hon. Mr. Haig: He is his own boss.

Hon. Mr. Roebuck: It is easy to see that my honourable friend has never been an Attorney General.

Hon. Mr. Haig: The Attorney General is his own boss. He has to carry out the law, but if he decides that a certain matter does not come under the law, that is another thing.

Hon. Mr. Euler: I am not a lawyer, but I should like to ask the honourable leader opposite (Hon. Mr. Haig) a question. If I go into a store and find one of these so-called crime comics, and disapprove of it, can I lay a charge against the person selling it? Can I lay such a charge as an individual without resorting to the Attorney General of the province?

Hon. Mr. Haig: I think you have got to resort to the Attorney General.

Hon. Mr. Roebuck: No, you have not.

Hon. Mr. Haig: All right. Even supposing an individual had the right to lay a charge, he would not take the trouble to do it.

Hon. Mr. Lambert: You do not know Toronto.

Hon. Mr. Haig: Perhaps I do not know Toronto, but I know something about this province, and I do not think this amendment represents the viewpoint of the whole of Ontario—or even the city of Toronto.

Hon. Mr. Beaubien: What is the proposed amendment?

Hon. Mr. Roebuck: It is not before us yet.

Hon. Mr. Haig: It is not before us, but my honourable friend from Toronto-Trinity (Hon. Mr. Roebuck) has told us what it is. I am quite willing that the bill be referred to committee, but I just want to say that I do not want the statement of my honourable friend (Hon. Mr. Roebuck) to go unanswered. It is a difficult matter for the Crown officers to prosecute once a loophole is left in the Act. The Minister of Justice made it clear this morning that he would want this kind of law if he were to ask the Attorney General of the province to prosecute these offenders.

Hon. P. R. DuTremblay: Honourable senators, we are all in favour of what this bill aims at, but there is a principle involved in this legislation that is difficult to follow. Under British law no one can be convicted of a crime without a fair trial.

Hon. Mr. Roebuck: Hear, hear.

Hon. Mr. DuTremblay: Even if he is a known murderer, he cannot be found guilty without first having a fair trial. That is his right.

If this bill is passed the Crown will not be obliged to prove that an accused person knowingly broke the law; the only thing necessary to prove will be that the accused made, printed, published, distributed, sold or had in his possession a crime comic. The distinction between a person guilty of a criminal act and an innocent person is intention, and surely a man who without knowledge does any of the things prohibited by section 207 is not a criminal. It seems to me that this section might create in Canada the kind of thing they had in England long years ago, in the days of the Star Chamber, when people were convicted of doing things that they knew nothing about. And in France, in the old days, many entirely innocent persons were sent to jail by *lettres de cachet*. The adoption of any such principles in this free country today would be a backward and unfortunate step. Another bill that we had before us this session denied to company representatives certain rights that have long been established under the criminal law of Britain and of this country, and which have become principles of our criminal law.

It has been said that unless the law is amended as proposed by the bill, it would be difficult to obtain convictions. Well, that is no excuse for denying to persons charged with distributing or possessing a crime comic the protection afforded to persons accused of any other class of misdemeanour or crime, even murder.

Hon. George H. Barbour: Honourable senators, first I wish to commend the young representative of Kamloops in another house upon introducing this bill into parliament. The bill first presented was, I have been told, a private bill, and while it met with approval of the whole house, there was not time to pass it before the session ended. Then it was amended to give it some teeth and was brought in this session as a public bill. It is the teeth that are causing some trouble, for sellers and distributors of crime comics were not affected by the original bill, but are liable under this one.

The Senate of course has a perfect right to examine the bill and pass whatever judgment it wishes upon it, but I believe the bill will be approved by the best people throughout the country. I come to this chamber from a provincial legislature where all public bills were considered in Committee of the Whole. I am not a member of the Senate's Banking and Commerce Committee, but I have frequently taken the opportunity to attend its sittings and listen to the discussions on bills. I was present at this morning's meeting, which lasted from 10.30 until 1.30. From actual count I know that during most of the meeting thirty members were present, and off and on the attendance was larger. I doubt if an abler committee of lawyers and laymen could be assembled, even if you went all across the country to choose its members. At this morning's meeting the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) presented his amendment.

Hon. Mr. Roebuck: No, not the amendment I am making now.

Hon. Mr. Barbour: A similar amendment.

Hon. Mr. Roebuck: It was not even similar.

Hon. Mr. Barbour: At any rate, the committee did not approve of the amendment. I believe that the people responsible for training the youth of our country are asking for such a measure as this, and I shall be glad to support the bill.

Hon. Mr. Davies: Mr. Speaker, I wish to ask whether it is in order to discuss the amendment now or not.

The Hon. the Speaker: It is not proper to discuss the amendment until it has been moved.

CONSIDERED IN COMMITTEE

Hon. Mr. Roebuck moved that the bill be not now read a third time, but that it be committed forthwith to the Committee of the Whole.

The Hon. the Speaker: Honourable senators, is it your pleasure to adopt the amendment of Honourable Mr. Roebuck?

Some Hon. Senators: Carried.

Some Hon. Senators: No.

The Hon. the Speaker: Those in favour of the motion of Honourable Senator Roebuck will please say "Content".

Some Hon. Senators: Content.

The Hon. the Speaker: Those opposed will please say "Non-content".

Some Hon. Senators: Non-content.

The Hon. the Speaker: The Contents have it.

The Senate went into committee on the bill.

Hon. Mr. Euler in the Chair.

The Hon. Chairman: The hourable gentleman from Toronto-Trinity (Hon. Mr. Roebuck) moves—

Hon. Mr. Roebuck: Mr. Chairman, may I completely state my motion?

The Hon. Chairman: That would be better.

Hon. Mr. Roebuck: Honourable senators, my amendment is to paragraph (b) of subsection (1) of section 207, and is as follows:

Line 14, after the word "publishes" strike out the words "distributes, sells";

Line 15, after the word "purpose" insert the words "or knowingly distributes or sells".

The section, after amendment, will read as follows:

(b) makes, prints, publishes or has in possession for any such purpose, or knowingly distributes or sells, any crime comic.

As a consequence of this amendment it will be necessary to make a change in subsection 7 of section 207, which now reads:

It shall be no defence to a charge under subsection one that the accused was ignorant of the nature or presence of the matter, picture, model, crime comic or other thing.

My amendment to that subsection is as follows:

Line 14, after the word "one" insert the words "for making, printing, or publishing any crime comic."

The section as amended would read as follows:

It shall be no defence to a charge under subsection one for making, printing or publishing any crime comic that the accused was ignorant of the nature or presence of the matter, picture, model, crime comic or other thing.

My friend the leader opposite (Hon. Mr. Haig), complains about my statement that some retailer or distributor of these articles will be required to know that he has broken the law before he may be convicted and sent to jail for two years. My friend's proposition to this house is that it is all right to arrest a man for doing something that he did not know he was doing. In plain terms,

that is his proposition, and it is not in accordance with good British principles and precedents. In view of his opinion, and that of some of those who surround him, who desire to do everything possible to forward the position of one of his party in the other house—

Hon. Mr. Horner: Oh, no!

Hon. Mr. Haig: No. No.

Hon. Mr. Roebuck: My friend has imputed to me the motive that I come from the city of Toronto and desire to defend an industry of that city. That, by the way, is a laudable desire, and not otherwise. I am therefore free, I think, to define the reasons for my friend's action, in somewhat the same way that he has defined the reasons for my attitude. However, we will drop that phase of the discussion.

The position of the leader opposite is that he wants a person to be subject to criminal prosecution for doing something that he did not know he was doing.

I think the argument applies to some extent at least to the publisher of crime comics; but he is in a position to know what he is doing, and if he is vigilant he can read the articles in the quiet of his own office and determine whether or not they contravene the law.

I am perfectly satisfied that the teeth to which the leader opposite has referred shall remain in the bill as drafted, but I do not want this law to be like a mad dog which is running around biting everybody in my friend's province as well as in mine. Under this bill, every distributor who had sent to him a bundle of these magazines several feet high, would be required to read them all through to determine whether or not there was anything in them which contravened the provisions of the bill. That is ridiculous, or it is something which he cannot possibly do. It is an injustice to put that responsibility on his shoulders, and it is a greater injustice to hold him criminally liable for failing to discharge that responsibility.

If the bill is amended as I propose, it will still have the same teeth it had as originally drafted, but it will not victimize every little retailer in the country who happens to be selling the article.

My friend the leader opposite says that this bill has been approved by teachers and other good people of this country. I have no doubt that they have approved it in principle, as I do. But members of the teachers' association and the ministerial associations are not members of this house, and did not draft the bill. Certainly I have no desire that the young people of this country be demoralized through the reading of bad literature. We are all agreed on the general principle of the bill, but we are under no obligation to follow the words of the measure as drafted; indeed, there is a personal responsibility on each of us to discharge that obligation in the way that we see wise and fit. We should not take anything handed to us on a spoon and meekly swallow it.

My proposed amendment to paragraph (b) of section 207 (1), places the responsibility upon the shoulders of those who print and publish crime comics. Is that not enough? My friend says it is difficult to enforce legislation of this kind. I know it is, but do my proposed amendments make it any more difficult to obtain a conviction? I have confined the responsibility to the publishers, of whom there are not more than a half a dozen in Canada. As soon as anyone buys a copy of a comic publication he can quickly trace it back, through the distributor, to the producer.

Hon. Mr. Haig: Where are these manufacturers now located?

Hon. Mr. Roebuck: I am not certain about all of them. I know that several are in the city of Toronto. I am sorry that one at least is not located in Winnipeg so that my friend would be on my side.

Hon. Mr. Haig: Please do not engage in that type of discussion.

If a crime comic publication is distributed in Manitoba, what can the Attorney-General of that province do to a distributor who may live in Ontario?

Hon. Mr. Roebuck: He can ask the Attorney-General of Ontario to institute a prosecution.

Hon. Mr. Haig: If the Attorney-General for Ontario says he does not know about such a publication, what then happens?

Hon. Mr. Roebuck: The Attorney-General of Manitoba can send somebody to Ontario to institute a prosecution.

Hon. Mr. Haig: There is no control.

Hon. Mr. Roebuck: The senator who is chairman of this Committee of the Whole asked whether any citizen could institute a criminal prosecution such as envisaged by this bill? The answer is that he can, in the same way that he may lay a charge for any other infraction of the Criminal Code. All a private citizen has to do in order to institute a prosecution is to go before a magistrate and lay an information.

Hon. Mr. Haig: But suppose the Attorney-General refuses to prosecute, what happens then?

Hon. Mr. Roebuck: A private citizen, to prosecute under this bill, does not have to ask for approval of the Attorney-General; he need only go before a magistrate and lay an information.

Hon. Mr. Haig: This is an amendment to the code.

Hon. Mr. Roebuck: My friend, who is a lawyer, surely knows that one does not have to ask the consent of the Attorney-General to launch a prosecution under the Criminal Code.

Hon. Mr. Haig: I know that.

Hon. Mr. Roebuck: Only a few prosecutions require the consent of the Attorney-General, where consent is required it is so stated in the code. A private citizen can of his own will and determination institute a prosecution under the great majority of the sections of the Criminal Code, and I think that a magistrate may not refuse to take an information when a citizen comes before him to lay it.

So anybody in the province of Ontario who has some knowledge of the facts—he does not even need to be a resident—can lay the charge, and the processes of the courts are put in motion. If some of the manufacturers are located in Montreal the complaint can be made in that province. The police will trace the matter and find out who manufactured and published the objectionable material: the complainant can then lay his charge, and if the party is outside the law you "have him cold." Under these circumstances there is no ground for my honourable friend's complaint about "pulling the teeth" of this measure. The teeth remain, but they bite the proper person and not the wrong one.

On the other hand, consider what would happen if the bill as it stands were passed. Assuming that a retailer in the province of Manitoba—where everybody wears a halo—has had shipped to him some of this material from a printer and publisher in the city of Toronto—where, according to my honourable friend from Winnipeg, all the people are very bad—and that this retailer, without thoroughly reading the material, or after reading it, guesses wrong as to whether it is subversive or not subversive and puts it on sale, what then? My friend would have him haled before a magistrate, convicted under this section of a crime which he did not know he was committing, and made liable to two years in jail. I say that such a provision is drastic, excessive and wrong; that it will not meet with public approval, and should not be entertained by this house.

Hon. Mr. Moraud: May I ask my honourable friend whether two years in jail is not the maximum penalty.

Hon. Mr. Roebuck: That is so.

Hon. Mr. Moraud: The penalty might be only a fine.

Hon. Mr. Roebuck: It might be a fine. But there is no stipulation that it must be a fine, and there is no limit to the amount.

Hon. Mr. Horner: I suggest, if the honourable senator's reasoning is sound, that in the days of prohibition all the authorities needed to have done was to go after the manufacturer. According to my honourable friend's theory, that would have settled the matter. The manufacturer would have been punished instead of the man who had the liquor. But that was never done, as far as I know.

Hon. Mr. Roebuck: There are about half a dozen presses in Canada that print these publications. Liquor, as the honourable senator knows, might be distilled behind any hill in his own province. In such a case you could not reach the manufacturer. In this case you can. That is the distinction.

Hon. Mr. Horner: You could reach him in the other case, too.

Hon. Mr. Roebuck: Furthermore, this matter has been running along for quite a long time, and it is not now necessary that we jump too fast and too far. If the law as it stands is put into effect without my amendment, what will be accomplished. Every distributor in every retail store that handles material of this kind will be frightened to the point that he will refuse to handle any of it.

Hon. Mr. Horner: And a good thing too.

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Roebuck: My friend may not read the comics; perhaps he is past the age at which they appeal. But I can tell him that a very large proportion of the population of Canada does read comics.

Hon. Mr. Horner: To judge by the way they act sometimes, I can believe it.

Hon. Mr. Roebuck: That is all very well, but these are the conditions under which we live. I do not know that there is anything wrong in a "comic" as such, but whether it be objectionable or not, neither my friend nor I nor any member of this chamber can suppress a phenomenon which is part of our

age. At the committee meeting this morning we were shown a crime comic published to promote the sale of government bonds, and bearing the name of the Bank of Canada.

Hon. Mr. Horner: A little sugar with the poison!

Hon. Mr. Roebuck: That may be so, but it was a comic; and not only was it a comic, but a crime comic—and used by a department of government for the purpose of selling bonds.

Hon. Mr. Haig: That shows how depraved we are.

Hon. Mr. Roebuck: That may be so. But I am instancing this to show how widespread is the public demand for comics. Anyone who has children or young people in his house knows that the very first thing they turn to when the papers come in are the comics. You gentlemen who are past the meridian of life may regard that addiction as very frivolous, but it is human nature as exemplified in the population among which we live.

I repeat, that to pass a drastic measure of this kind, and to so alarm our retailers as to deter them from handling any of these goods, whether good, bad or indifferent, is not the kind of legislation which this Senate should endorse. We should attach the stigma of crime only to those who know they are committing a crime or, if they do not know it, should know it. Will anybody here suggest that the operators of every one of the ten thousand retail stores which handle goods of this kind should be forced to read every page that they sell, and be held responsible for every page? My friend may amend the bill to make it more drastic if he feels that that course does not violate any British principle, and if he makes it applicable to those who produce and publish this material, I will vote for it; but I will not vote to "ride" the little retailer all over the Dominion of Canada. As the Minister of Justice said in the other place, what concerned him was the position of the small retailer; and it is the retailer's fate under drastic legislation of this nature with which I, too, am concerned.

The Hon. the Chairman: I did not like to interrupt the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck), but I should like to have his amendment formally before the committee. He has made a motion, but it is not before me in writing. I suggest that he let me have it, and that it should have a seconder before the debate is proceeded with.

Hon. Mr. Davies: I have just a few words to say on this matter. I am wholeheartedly in favour of the bill. One complaint has reached me from the father of two sons, who says that these publications are about all you can get boys to read nowadays.

I intend to support this amendment, but from a standpoint entirely different from that of the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck). In the committee this morning I asked to have read the names of the publishers of these comics, and I was astonished to find that I know very well and intimately the principals of three of these publishing companies. These men are just as good people as we are, just as sincere, honest, Christian, church-going people, and no one is going to tell me that they are interested in doing anything which will create or encourage juvenile delinquency.

Hon. Mr. Haig: The statement was not that these people printed "crime comics", but that they printed "comics".

Hon. Mr. Davies: I understood the witness to say "crime comics".

Hon. Mr. Haig: No.

Hon. Mr. Davies: I think he did. He held up one or two magazines that they were printing.

Hon. Mr. Horner: The question asked in committee was whether they were "comics", not "crime comics".

Hon. Mr. Haig: And the two firms he mentioned are dropping them.

Hon. Mr. Davies: What I have reference to is the statement that one publisher was printing one, and another two, crime comics. They call them crime comics; whether they are or not I do not know.

I am supporting the amendment with one object in mind: Let us give these publishers the chance to "clean house" and I do not think we shall have any more trouble about comics. We should say that every person who "makes, prints, publishes, distributes, circulates, or has in possession for any such purpose any obscene written matter, picture, model or other thing whatsoever" should be prosecuted. I do not think we would have any more trouble if this were done. These men have big printing and publishing establishments, and they probably do not know every detail of their business. I am quite sure that if we gave them an opportunity to clean house, these things would not be circulated among the retailers and the news vendors on the street corners of Toronto, Kingston and other cities where there is a large sale of them.

I did not vote for the amendment in committee this morning, but for the reason I have

outlined I am going to vote for this amendment. I should like to see the whole onus placed on the publisher; but first let the publisher have an opportunity to clean house.

Hon. Mr. Paterson: If the publisher is located in the United States, what are you going to do?

Hon. Mr. Davies: This does not deal with publishers in the United States. The publishers here import the mats from the United States, and print and publish the comics here. These comics are not published in the United States.

Hon. Mr. Nicol: Honourable senators, in discussing this amendment we must bear in mind what was said in committee this morning. All the publishers of these crime comics are centred in Toronto or vicinity. If the amendment proposed by the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) were adopted, the only people who in future could possibly be prosecuted under this law would be the publishers. The minister stated this morning that in October, when this bill came before another house, he told that house that this bill would be made a public bill. The people of this country had ample time to study the matter and to make representations, but they did not do so. The bill was passed in its present form after consultations between the minister and the Attorneys General of the provinces. Therefore, this bill not only comes to us with the approval of another place but with the approbation of the Attorney General of every province except Ontario. The Ontario Attorney General did not disapprove; he only said that he wanted to consider it further.

Honourable senators, if we accept the amendment before us, we will be putting aside the wish of every province except Ontario. In the circumstances, I do not think that would be a fair way to treat the bill. After all, the witnesses who came before us this morning talked of an industry that was 100 per cent American. That is what they said. They said that every crime comic published by these houses was published from documents, plates or mats from the United States. Two of the largest publishers of such crime comics across the border have opened up branches in Canada for the purpose of producing their own mats or manuscripts. This means that the Canadian publishers of crime comics are not publishing original works of Canadians. No Canadian artist or writer is employed, so what interest have we in Canada in helping or furthering such things?

Some years ago Canada decided to spend a few millions of dollars for a Canadian radio network so that we could develop a true Canadian spirit. Are we not just as interested in having Canadian literature for our children and older folks? I think we should be more interested in developing a purely Canadian literature that suits our people, than in protecting a literature that is imported, 100 per cent, from a foreign country.

Hon. Mr. Roebuck: My honourable friend objects to bringing in the mats from the United States. He himself is a publisher, and I would ask if he did not bring in his main press from the United States.

Hon. Mr. Dupuis: That has nothing to do with it.

Hon. Mr. Nicol: Honourable senators, I think the learned member from Toronto-Trinity has enough solid argument without bringing personal matters into this discussion. His argument would be much stronger if he made use of logic instead of personalities. My friend knows very well that that there are only two countries—the United States and Great Britain—from which presses can be imported. As a matter of fact, at the present time you cannot import presses from Great Britain; you import them from the United States.

Hon. Mr. Roebuck: And quite properly.

Hon. Mr. Nicol: Yes.

Hon. Mr. Roebuck: I did not want to be personal or imply any criticism of the honourable gentleman from Bedford for bringing in a press; but I should like to inquire what is the distinction between bringing in a press and bringing in mats.

Hon. Mr. Nicol: There is a great deal of difference between bringing in a press which will publish good, sound Canadian literature, and bringing in printed matter that is prepared in the United States. If my honourable friend cannot see the difference, I think it is useless for me to argue the point.

I will vote against the amendment because I am in favour of developing in this country a true Canadian literature and a true Canadian spirit. Even though this bill may impose some hardship on some people—which I do not believe it will—I would go a long way in supporting it if I thought it would have the effect of keeping out of this country printed matter that does not tend to develop a proper Canadian spirit amongst our youth.

Honourable senators, if you vote for the amendment you are making the bill ineffective in nine of the provinces of Canada; if you vote for the bill as it is, you are carrying out the wishes of the people of Canada, the wishes of the Attorneys General of the different provinces and, I am sure, the wishes of the press of this country. The press, which is close to the people and knows what they want, has been unanimously in favour of this bill. That impresses me, and I am going to vote against the amendment and for the bill as it stands.

Hon. Mr. Doone: Honourable senators, I am not a member of the Banking and Commerce Committee, and this is the first opportunity I have had to express myself on this bill. My honourable friend from Toronto-Trinity (Hon. Mr. Roebuck) and I must part company on his amendment. I am surprised at anything which might be interpreted as advocacy of the present trends in crime comics. If I had my way this bill would go much further, and would bar entirely any form of obnoxious or salacious literature. Something has been said about British fair play, which embodies a principle in which I believe implicity. Nevertheless, I am convinced that this bill is good for the youth of our country, for it is my confirmed opinion that as long as we permit the sale and distribution of certain types of literature that are now displayed on our bookstalls there will be a continuance of juvenile deliquency and adolescent crime and a negation of family life as a permanent institution. When we support such a malaise in our moral and intellectual structure we must look forward to a breaking down of our social structure. I am persuaded, honourable senators, that in this matter Canada needs a moral awakening.

In the budget speech which I delivered in the legislature of New Brunswick last year I urged the passing of a statute to bar the distribution in our province of the type of literature against which this bill is aimed, but my purpose was defeated because our provincial courts have no jurisdiction to deal with the matter. I am afraid—in fact, I know—that if this amendment passes, the courts of New Brunswick will still be without jurisdiction in this matter. The senator who preceded me (Hon. Mr. Nicol) hit the nail exactly on the head. If the bill is restricted to a prohibition of manufacturing crime comics, our provincial courts will be powerless to enforce the law because of the fact that the manufacturers will be beyond the courts' jurisdiction.

Honourable senators, I am glad indeed to place myself on record as opposed to the amendment and in favour of the present bill.

Hon. Mr. Campbell: Honourable senators, I should like to say a few words about the proposed amendment. I am sure we all agree that the honourable gentleman from Toronto-Trinity (Hon. Mr. Roebuck) is most sincere in moving this amendment; and he has shown that he is an experienced advocate and can present a very strong case.

From the discussion in this chamber, I take it to be generally agreed that it would be desirable to have publication and distribution of the so-called crime comics prohibited. The concern that the honourable gentleman from Toronto-Trinity has shown is not for the publishers but for the distributors of these publications. I listened attentively to what he said, but I feel I cannot support him, for I am not convinced that the bill in its present form would work any great hardship upon anyone.

The proposed subsection (1) of section 207 reads:

> Every one is guilty of an indictable offence and liable to two years' imprisonment who
>
> (a) makes, prints, publishes, distributes, circulates, or has in possession for any such purpose any obscene written matter, picture, model or other thing whatsoever; or
>
> (b) makes, prints, publishes, distributes, sells or has in possession for any such purpose, any crime comic.

It may be argued that the publication or distribution of crime comics is not as great an offence as the publication or distribution of obscene literature, but I think the object in making the first part of the subsection applicable to both classes of offence is to provide an effective means of preventing the publication and distribution of crime comics. I have no great fear that persons engaged in the distribution of these publications will be unable to conduct their affairs in such a way as to avoid running into any great difficulty with the law. Many comic papers are of an historical or amusing character, and the publication or distribution of these is not being prohibited.

The honourable gentleman from Toronto-Trinity says that if some crime comics happen to be placed unintentionally in bundles of legal comics and be found in the possession of a distributor, that person may be haled into court. Well, there is, perhaps, a chance of that happening; but I do not think it is serious enough to warrant us in destroying the effectiveness of this measure. I should think that if a distributor did find some banned comics among the material sent to him, he would destroy them or at once return them

to the publisher, and in any event notify the publisher to be careful to see that no more comics of that kind were included in shipments to him. The bill does create a possibility of the risk referred to by the honourable gentleman; but some risk arises from all legislation of this character, and I do not think we should make the proposed amendment to the bill.

It may be out of order to refer to evidence given before the committee this morning, but perhaps I may be allowed to mention a point that was made there. It would appear from the discussion that a prohibition on some of the mats which are brought in from the United States would work a hardship on the publishers of crime comics. I think that is one of the ordinary commercial risks in this type of business.

I believe that the passage of this bill will mark a forward step by parliament in effecting a prohibition on the publication, distribution and sale of crime comics. For that reason I am not able to support the amendment of the honourable senator from Toronto-Trinity.

Some Hon. Senators: Question!

Hon. Vincent Dupuis: Mr. Chairman, I do not wish to tax the patience of my colleagues for long, but honourable senators will appreciate that I cannot do otherwise than support the bill for the protection of the youth of this country against subversive literature or crime comics.

The problem that troubles me is how the law is going to be implemented. I quite agree with the thoughts expressed by my good friend from Bedford (Hon. Mr. Nicol). Of course we are all in agreement as to the purpose of the bill, but regardless of the form in which it passes, it will not cure the malady of this century, namely, that the youth of Canada and of the world generally are more interested in comics than they are in national literature and geography.

When the bill is passed who is going to declare whether or not a comic strip is a crime comic under the law?

Hon. Mr. Nicol: The judge will.

Hon. Mr. Dupuis: Let me finish my question. Who is going to say whether or not certain literature is obscene? As an example of this problem, I may refer to the movie *Les Enfants de Paradis*, which was shown in the United States, in Ontario, and in some of the other provinces in Canada, where it was considered to be a great production. But what was looked upon as a beautiful piece of acting in Ontario was regarded as a crime in Quebec. That illustrates the variation in attitude across the country.

The administration of this law will, I presume, be in the hands of the provincial Attorneys-General, and it will be their responsibility to declare what comics are crime comics. I am told that the chief of police in each city appoints a man to deal with such questions of morality. I think it is a bad thing to have a law under which I, for instance, could be arrested for having in my possession a comic which I may think is a good comic.

Hon. Mr. MacLennan: The bill does not refer to comics but to "crime comics".

Hon. Mr. Dupuis: But the comic will have to be declared to be a crime comic by the chief of police or his lieutenant.

Hon. Mr. Haig: No, by the Court.

Hon. Mr. Dupuis: But prior to my appearing before a judge I would have to be arrested and detained.

Hon. Mr. Nicol: The Attorney-General would supervise the procedure.

Hon. Mr. Dupuis: But while the comics were being examined or while the obscene literature was being read, where would I be? Why, even the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) might be arrested under such a provision; and my good friend from Bedford (Hon. Mr. Nicol) might be arrested for publishing comics which to his mind were not crime comics.

I agree with the remarks of the honourable senator from Repentigny (Hon. Mr. DuTremblay). I am glad to be on his side, though all the Liberals are not always in the same basket. The honourable gentleman has said that it would be very unjust to pass a law which might place in the hands of some prejudiced person power to take action against a publisher.

I am not prepared to propose an amendment to the bill, but I have a suggestion which I should like to leave with the committee. I believe that the Canadian Government should appoint a board of censors, composed of one person from each province, to review all comics and literature published or offered for sale and determine whether the material is suitable for public distribution. In that way literature would come under much the same kind of control as the movies. I understand that in each province there is a board which sees all movies before they are exhibited to the public. My honourable friend from Repentigny (Hon. Mr. DuTremblay) has just reminded me that such a board of censors would have to receive the approval of the provinces.

Some Hon. Senators: Question!

Hon. Mr. DuTremblay: Will the Chairman please read the amendments?

The Hon. the Chairman: The amendments proposed by the honourable senator from Toronto-Trinity are as follows:

First, to paragraph (b) of subsection (1) of section 207:

Line 14, after the word "publishes" strike out the words "distributes, sells";
Line 15, after the word "purpose" insert the words "or knowingly distributes or sells".

And second, to subsection 7 of section 207:

Line 14, after the word "one" insert the words "for making, printing, or publishing any crime comic".

Those in favour of the amendment will please say "Content"?

Some Hon. Members: Content.

The Hon. the Chairman: Those who are opposed will please say "Non-content"?

Some Hon. Senators: Non-content.

The Hon. the Chairman. I declare the motion lost.

The bill was reported without amendment.

THIRD READING

Hon. Mr. Hayden moved the third reading of the bill.

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

INCOME TAX AND INCOME WAR TAX BILL

SECOND READING

On the Order:

Second reading, Bill 176, an Act to amend The Income Tax Act and the Income War Tax Act.

Hon. Mr. Hugessen: Honourable senators, the leader on this side has asked the honourable senator from Toronto (Hon. Mr. Campbell) to move the second reading of this bill and explain it to the house.

Hon. G. P. Campbell moved second reading of the bill.

He said: Honourable senators, before attempting to explain the many amendments of the Income Tax Act and the Income War Tax Act contained in this bill, I should like to express my regret that a bill containing so many important amendments of the taxation laws of this country should reach this chamber at such a late date in the session.

Honourable members will recall the exhaustive and painstaking investigation carried on about two years ago by a special committee of this house appointed for the purpose of investigating the workability of the Income War Tax Act as it then stood on the statute books. During this investigation many representatives of associations interested in taxation were given an opportunity to appear before the committee, and they made a most valuable contribution to the work then carried on by the committee. The door was open not only to business firms and associations representing business firms, but also to individuals concerned with any particular phase of the taxation laws, and to representatives of labour organizations. The committee continued its work during two sessions of parliament, and finally brought in reports which, I understand, were of great value to the Department of National Revenue, the Department of Finance, and other departments concerned with the taxation of income.

During these hearings it became apparent that the law under the old Act had gotten into a very bad state, so that many complaints were being made about the wide discretionary powers vested in the minister. Also, there were many loopholes in the Act which enabled people to shape their affairs in such a manner as to enable them to pay less tax than was actually intended by the legislation.

Following this exhaustive investigation into the provisions of the Income War Tax Act, the government brought down a new taxation Act entitled "The Income Tax Act". This Act, which became effective January 1, 1949, eliminated many of the objectionable discretionary powers vested in the minister, and on the whole, stated the law relating to income tax in a manner which was understandable.

There were, however, one or two provisions left which have been objected to very strenuously because they are not capable of any real interpretation. I refer particularly to section 126 of the Income Tax Act, which in effect vests in the Treasury Board power to say that the main purpose of any transaction is the improper avoidance or reduction of taxes, and to give directions to bring about the imposition of taxes on some basis which to date has not been determined by regulation, by law or by statute.

I thought it well to make these preliminary observations before attempting to explain the present provisions of Bill 176, because I realize that it is a most difficult piece of legislation to understand, and that honourable members may have some doubts as to the workability of some of the sections contained in it. Further, I would ask honourable members to be patient with me when I attempt to give what is my view of the meaning of this rather involved piece of legislation. Though I am fairly familiar with the provisions of the Income Tax Act and the Income War Tax Act, and should be in a position to understand the proposed amendments, I must

confess that after several times reading the bill now before the house, there were some provisions which I could not understand without the help of departmental officials, and I regret that we have such a short time to study the measure.

Hon. Mr. Haig: You are no worse off than the Minister of Finance.

Hon. Mr. Campbell: I do not intend to take up the time of the house by going over the bill section by section, as I feel that it will be necessary to do that in the Banking and Commerce Committee. If honourable senators have no objection I shall take some of the more important amendments dealt with in the bill.

The main purpose of the bill is of a relieving nature. It contains provisions which in effect relieve corporations and individuals from tax liabilities which were considered unfair, and in other cases it puts into effect the reduction in taxes. In the early part of the bill there are certain relieving provisions, such as the granting of a reasonable allowance for travelling expenses to employees engaged in selling property on commission; the granting of reasonable allowances to a minister of the gospel while travelling in the performance of his duty; allowance to clergymen for rents paid for premises occupied by them, and allowances of the value of the premises occupied. There are also allowances made for the exemption of railway agents, transport employees and others.

Section 3 of the bill is of a relieving nature, whereby persons who are resident in Canada and are shareholders of corporations which are controlled in the United States—that is corporations in which 50 per cent or more of the voting shares are held in the United States—are relieved of taxes on certain dividends when winding up and so forth. It relieves them of liabilities on taxes on winding up, redemption of shares, conversion of shares or capitalization of surpluses. Obviously the shareholders have no control of the corporation's actions in the United States.

Hon. Mr. Nicol: Is this section to provide for actual cases?

Hon. Mr. Campbell: I understand not. It is a general relieving section to meet a situation that has been brought to the attention of the department in many cases where there has been reconstruction of the company's capital in the United States.

Hon. Mr. Haig: Especially United States Steel.

Hon. Mr. Campbell: I think honourable senators would be satisfied if I illustrated one or two types of cases. Where a corporation in the United States declares a stock dividend, in other words capitalizes its surplus, there is no tax imposed upon the resident in the United States in receipt of that stock dividend; but under our law a tax is imposed. As such action can be taken freely in the United States, it has meant that the shareholder in Canada has really received no cash whatsoever. He has received shares on the declaration of a stock dividend, and has been required to include the value of the shares in his taxable income.

Hon. Mr. Euler: That could take place in Canada as well. If the stock dividend is declared in Canada, it is taxable.

Hon. Mr. Campbell: Yes, it is taxable in Canada. If a company in Canada has an earned surplus in Canada and declares a stock dividend and distributes the shares, the shareholder in Canada must include it in his income. This section provides that if he is a holder of shares in a foreign corporation of which 50 per cent or more of the stock is held outside of Canada, and is in receipt of a similar stock dividend, it is not taxable.

Hon. Mr. Euler: It is limited to 50 per cent or more.

Hon. Mr. Campbell: Yes.

Hon. Mr. Davies: Is that not a discrimination against shareholders of Canadian companies?

Hon. Mr. Campbell: No, it deals with holders of shares in a foreign corporation.

Hon. Mr. Hugessen: Would my honourable friend explain to the house the reason for this amendment, dealing particularly with the case of the United States Steel Corporation?

Hon. Mr. Campbell: I do not know that I am entirely familiar with it.

Hon. Mr. Haig: I know it, and I will explain it. The corporation had a certain reserve and wanted to strengthen its capital account, and transferred so much money from the reserve account to the capital account. The stock, before anything was done, was worth, say, $130 a share. After everything had transpired it was still worth that amount, but nobody got any money at all. What has occurred in the past is that the Canadian shareholders have been notified that that kind of thing was going to take place in the United States, and they sold their stock in that country and two days later bought it back again. In this case the United States Steel Corporation did not notify the Canadian shareholders that it was going to do this, and the result was that those people had to pay a tax in this country although the stock was

not worth a cent more than before. Perhaps I should not say it, but I think this was done in connection with the income tax laws of the United States. There was a loss on capital account and there was a desire to cover it up. But it only meant that the Canadian shareholder had what he had before.

Hon. Mr. Hugessen: But under this amendment the Canadian shareholder will not be deemed to have received, in this country, a dividend which he did not in fact receive.

Hon. Mr. Haig: Correct.

Hon. Mr. Campbell: Honourable senators, I would now refer you to section 7 of the bill, which deals with depreciation. I should like to remind honourable members that most of the representations made to the Senate Committee on Income Tax two years ago were strongly in favour of the elimination of ministerial discretion. In attempting to get away from this ministerial discretionary power, the law has been amended so as to provide a basis for depreciation in an entirely new manner. One school of thought argued that a company or an individual engaged in business should be able to take any rate of depreciation and be held accountable for the sale of assets at a later date if a profit was realized on the sale.

Hon. Mr. Moraud: Does the copy of the bill that we have before us contain the amendments made in another place yesterday or the day before?

Hon. Mr. Campbell: No. What we have before us is the copy of the bill as read the first time in the other house. I have just received this copy, and on looking over it I find the amendments are not included. I understand that the amended bill will be ready when we go into the committee.

Hon. Mr. Moraud: But the intention is to have the bill referred to a committee today.

Hon. Mr. Campbell: The amended bill will state that sections 7 and 8 do not apply to farmers and fishermen.

I was going on to say that one school of thought argued that the basis of depreciation should be more liberal than in the past. It was pointed out that the allowance of extra depreciation during the war encouraged companies to get rid of obsolete machinery and buildings and to enter upon new construction, and it was claimed that on the whole a more liberal basis of depreciation, to include not only wear and tear but also obsolescence, would be a good thing.

Hon. Mr. Moraud: Would the honourable member explain why farmers and fiishermen have been exempted from the provisions of sections 7 and 8?

Hon. Mr. Campbell: From the *Hansard* report of the debate in another place it appears to have been felt that farmers and fishermen would not be able to interpret the provisions of these two sections. I have not been able to discover any other reason. When I studied the sections I felt that farmers and fishermen may want to be made subject to them.

Hon. Mr. Nicol: If the sections are to apply only to those who can interpret them, some of us should be exempted.

Hon. Mr. Campbell: I hope that by the time I get through with my explanation honourable members will welcome the new provisions and be glad to come under them.

It will not be easy to explain the very complicated phraseology used in the bill, but I shall do my best. As of December 31, 1948, property values will be established for the purpose of applying the new basis of depreciation. The method used to establish the value of an asset will be to take the original cost of the asset to the taxpayer and deduct therefrom the ordinary depreciation allowed, the extra depreciation allowed during the war, the special depreciation allowed during the war, 50 per cent of any double depreciation allowed during the war, and any grants that were made to assist in the procurement or purchase of the asset. The resulting figure, which in most cases will be the figure at which the asset stands on the books of the company—

Hon. Mr. Haig: On the 1st of January 1949.

Hon. Mr. Campbell: Yes—will be the value upon which in future the owner will be entitled to depreciate the asset. A number of questions will naturally come to honourable members' minds. For instance, if he sells the asset within the first year, without taking any further depreciation under this new provision, what if any liability will he incur for taxation purposes? The answer, if I interpret the legislation correctly, is that he will not incur any liability for taxation purposes. In other words, there will be no retroactive feature. For the purpose of determining profit or loss with respect to the transaction the department will not go back beyond January 1, 1949, and take account of any depreciation which has been allowed before that. Let us assume that he carries the asset for four years, during which period he depreciates it by 50 per cent. Suppose the asset stood on his books as of the 1st of January, 1949, at $1 million for future depreciation purposes, and over the next four years he takes depreciation which reduces the value to half a million dollars.

Hon. Mr. Hugessen: At the rates allowed.

Hon. Mr. Campbell: Yes. I shall have something to say about the rates later. Then suppose he sells part of the asset for $100,000. He then reduces the value of his asset for depreciation purposes by $100,000. He does not pay any taxes on the $100,000. The remainder of his asset is worth $400,000, but assume that in the next few months he sells that remainder for $500,000. He will then have made a profit of $100,000, which must be included in his return for purposes of taxation.

Hon. Mr. Euler: Would the whole $100,000 be subject to taxation?

Hon. Mr. Campbell: The whole $100,000 would in that case be subject to taxation.

Hon. Mr. Davies: Is that not something new?

Hon. Mr. Campbell: Yes, it is.

Hon. Mr. Davies: A tax on capital profits.

Hon. Mr. Campbell: It is not a tax on capital profits, because the owner is not obliged to take depreciation.

The honourable gentleman from Inkerman (Hon. Mr. Hugessen) asked a question about rates. The rates will be charged on the diminishing or reducing balance basis of the assets from time to time in the taxpayer's possession. The rate in each case will be flexible, from perhaps 1 to 20 or 30 per cent, within a very wide range. The taxpayer may decide to take depreciation at the highest rate in a year of good profits, or he may write his own rate into his return. Suppose, for sake of illustration, that he writes off an asset in five years of good profits. If he carries on operations after that he will not be entitled to any further depreciation on that asset which has been written down to no value, but if he sells the asset after that he must account for it. If he ceases to carry on business and sells the asset at a profit, he must pay a tax on that profit.

Hon. Mr. Roebuck: If the asset has an appreciated value at the time of sale does he pay tax on the amount of appreciation as well as on the original value?

Hon. Mr. Campbell: He never pays a tax on anything higher than the original cost.

Hon. Mr. Haig: He pays the tax on the original base price as of January 1, 1949.

Hon. Mr. Campbell: That is right.

Hon. Mr. Haig: That is the figure that applies.

Hon. Mr. Campbell: In other words, he never pays a tax on anything in respect of which he has not received a tax credit by way of depreciation.

Hon. Mr. Haig: That is correct.

May I just ask another question by way of illustration? Suppose a man buys a frame house for $10,000 for rental purposes, on which he is allowed 5 per cent—if it were brick he would be allowed 2½ per cent—and by January 1 of this year depreciation had reduced the value of the house to $5,000 for tax purposes, as I understand it, when he sells the house he does not have to pay income tax on the excess of sale value over the amount to which it has been depreciated. Is that correct?

Hon. Mr. Campbell: That is correct as it applies to a house where the owner has not taken anything other than ordinary depreciation.

Hon. Mr. Moraud: After 1949.

Hon. Mr. Campbell: There is a further provision on that point—

Hon. Mr. Haig: Is one permitted to take more than 5 per cent?

Hon. Mr. Campbell: Yes.

Hon. Mr. Haig: Can one take whatever he likes?

Hon. Mr. Campbell: Let me complete my answer to my friend's question. So far as the depreciation from January 1, 1949 is concerned, there will be prescribed a range within which depreciation can be taken on particular classes of property.

Hon. Mr. Haig: Where would I get that information?

Hon. Mr. Campbell: That will be under the regulations to be passed under this bill, which I understand will be available within a week or ten days. In other words, the regulations will make the Act more flexible, so that a taxpayer can decide whether he will take 5 per cent, 10 per cent, or whatever the range permits him to take. Honourable senators will appreciate the advantage effected by the provisions to which I have referred.

Under the present law a taxpayer, even when he suffers a loss, must take 50 per cent of his normal depreciation on property in any taxation year, and in respect of which he never has had a tax credit. Under the new regulation he may in a loss year make an election not to take any depreciation, or, for some other reason he may elect to take a very low rate of depreciation. The rate allowed is on the diminishing balance from time to time.

Hon. Mr. Fogo: Would the honourable member indicate what would happen in the

event of a loss on the disposal of a depreciated asset? Suppose the depreciated asset is sold for less than book value, is any adjustment made?

Hon. Mr. Campbell: Yes, any loss which is suffered on the sale of property after January 1, 1949, will be taken into account in the same way as profit would be. The asset's value for depreciation purposes is adjusted from time to time by means of crediting the losses and debiting the profits.

Hon. Mr. Fogo: It would appear right in the depreciation account at the actual amount?

Hon. Mr. Campbell: Yes.

Hon. Mr. Euler: May I ask a question by way of illustration? Suppose in a bad year I lose money, and accordingly take into account some depreciation. As I have no taxable income, that depreciation does not help me. Then I have a prosperous year, and have a high taxable income. In that second year may I make up for the depreciation I did not take in the first year?

Hon. Mr. Campbell: Yes, as long as you stay within the range prescribed in the regulations. The arrangement in that respect is far more flexible than anything we have had so far.

Hon. Mr. Haig: But what is the purpose of all this? I can see no purpose for it, except perhaps to get more taxes, though I am not thinking of that. Does the department not want to allow depreciation in the ordinary way any more? What brought this all about?

Hon. Mr. Campbell: The object is to overcome the very difficulty people have had in the past years when they have been held rigidly to a certain formula for depreciation which has been more or less left to be determined by the discretion of the minister. They have not in the past been able to make their own election with respect to depreciation. With the changing economy it is felt that some more flexible arrangement should be made; it is also felt that if a person received a tax benefit by way of depreciation, he should be willing to readjust his asset account and take into consideration the profit which he realized on the sale of his property.

It is extremely difficult to say how the scheme will work out in practice. It is new, but it seems to have been very carefully thought out. I must say that upon a first reading of the legislation I could not see how it would be practicable in all cases, but after further study and application to specific cases, I became convinced that it was workable.

Hon. Mr. Burchill: May I ask a question of my friend? Is it not true that under present regulations a person who has depreciated an article to a considerable extent on his books, and then sells it at an amount greater than its depreciated value, is obliged to pay income tax on the profit?

Hon. Mr. Campbell: No.

Hon. Mr. Moraud: Some.

Hon. Mr. Burchill: For instance, depreciation to a certain amount is allowed on a truck for each year of use. After some years, when the truck is sold for an amount greater than its depreciated value, is the owner not liable for income tax on the difference?

Hon. Mr. Campbell: Not under the present legislation, unless the man is in a particular class of business, such as construction, where the operator is allowed to take depreciation on the total value of his equipment for a particular job. In calculating his profit on a job he undertakes that when he sells any of his equipment he will take into consideration the normal rate of depreciation allowed on trucks and other vehicles.

Hon. Mr. Euler: My friend from Northumberland might get some refunds.

Hon. Mr. Burchill: That is not the law in New Brunswick.

Hon. Mr. Fogo: The honourable senator from Northumberland has stated the rule that now applies generally to motor cars and trucks, namely, that there is an obligation upon the owner to account on disposal. The department has been allowing higher rates on automotive equipment, on the basis of 25 per cent for the first year and 20 per cent for each of the three succeeding years, subject to the condition that on disposal the owner will account for the gain, and in the event of loss will receive credit on any adjustment.

Hon. Mr. Burchill: That is exactly the the point.

Hon. Mr. Fogo: The new legislation, as I understand it, provides for a much broader application of somewhat the same theory.

Hon. Mr. Haig: That is right.

Hon. Mr. Fogo: An accounting is required on the disposal of the property.

While I am still on my feet, may I mention that the important question to me is, what are the rates going to be and within

what range will they apply? These provisions will not appear in the statute but will, I understand, come out in the form of regulations. The freedom that one will have within certain brackets applicable to prescribed classes is something which is tremendously important. I understand that the regulations are not yet available.

Hon. Mr. Campbell: They are not available.

The point the honourable senator raised brings up another question. Where you have taken other than what might be regarded as normal depreciation, where extra or special depreciation has been allowed during the war with respect to construction for war purposes, and you sell at a profit, the tax is the same as under the highest rate of depreciation on motor vehicles.

Hon. Mr. Haig: As I understand the answer, if the honourable senator is in the lumber business and owns trucks used in that business, and a truck is valued on January 1, 1949, at $1,000, and in 1950 he takes off another $100 and turns round and sells it for $1,500, he has to account for the hundred dollars.

Hon. Mr. Burchill: In New Brunswick I am made accountable for the profit I make on a truck over and above the depreciated value at which it stands on my books.

Hon. Mr. Haig: And that condition continues.

Hon. Mr. Moraud: I am thinking of the small property owner, to which I believe this section applies. If he sells a house for more than he paid for it, that profit to a certain extent is taxable, and it is a tax on capital gain.

Hon. Mr. Campbell: If the honourable member is speaking of a residence, that is not so.

Hon. Mr. Moraud: Well, I have in mind the sort of residence frequently found in Quebec, and also in Ontario. A large number of property owners have the sort of building which contains two or three tenements or apartments. If the property owner sells his property at a profit, is that profit taxable?

Hon. Mr. Campbell: If he has taken depreciation after January 1, 1949. In other words, if he has made his tax return on the basis of saying that he receives rent for a portion of that property, occupies a portion, and takes depreciation, and then realizes a profit over and above the depreciated figure as of January 1, 1949, he would be liable to the tax.

Hon. Mr. Moraud: Even though he uses the depreciation allowance to improve or maintain his property?

Hon. Mr. Campbell: Well, yes. Of course, if he uses that as capital it increases the capital value of the asset. If he has made his repairs out of income he would be taxed on the profit.

Hon. Mr. Roebuck: I was not here when the honourable senator from Toronto (Hon. Mr. Campbell) began his explanation, so I may not understand it correctly. What troubles me is this. Suppose he takes depreciation in, perhaps, small amounts year by year, upon which he would pay a very low income tax, and some years afterwards sells the property for a very large sum, does he pay on the entire sum in the one year at the increased rates?

Hon. Mr. Campbell: The values are determined as of January 1, 1949.

Hon. Mr. Roebuck: Think about ten years from now.

Hon. Mr. Campbell: He has the option of setting his own rates of depreciation. If he takes depreciation at, say, 30 per cent of that value, and sells the property, he is accountable for the profit up to the value at the time, January 1, 1949. If he receives something over and above that, that is still capital profit.

Hon. Mr. Roebuck: It is the rate which I am concerned with. If he takes depreciation—admittedly in small figures—say at 30 per cent a year, or perhaps at a lesser rate, but the figures are quite small and the rate may be low—and ten years from now he is hit with the tax on the whole amount in one year, does he go in the higher brackets in consequence and have to pay in income tax pretty nearly the whole amount of his profit? Or will he be allowed to pay the tax which he would have paid had he paid it from year to year?

Hon. Mr. Campbell: If I interpret this section correctly, this is a disposal of all his assets, so that it would fall in as cash profit in that year and he would be liable for taxation in that year.

Hon. Mr. Roebuck: Yes; he will come in the higher schedule.

Hon. Mr. Campbell: In that connection there will be certain conditions which will give rise to individual problems: there is no question about that.

Hon. Mr. Hayden: Is the honourable member suggesting that in those circumstances the amount of the profit in excess of the amount of depreciation charged off subsequent to January 1, 1949, would be added to his taxable income?

Hon. Mr. Campbell: No.

Hon. Mr. Hayden: It would always be limited by the amount of depreciation he had actually charged since January 1, 1949.

Hon. Mr. Roebuck: The rate of depreciation year by year may be low, but when, ten years from now, he sells his property, he pays on the whole sum in the one year at the increased rate.

Hon. Mr. Campbell: Whatever the rate is.

Hon. Mr. Roebuck: He is running an awful risk in taking depreciation at all.

Hon. Mr. Moraud: He has to take it.

Hon. Mr. Roebuck: He may have to. But I could easily imagine, if the 1949 base is the true value of the property, and from time to time he depreciates it to nothing, and then sells at the old figure and the government applies a high rate of income tax to that, it would take pretty nearly his whole property away from him. He might have to pay in taxation from 50 to 75 per cent of the amount for which he sold the property.

Hon. Mr. Campbell: Is not the answer that he takes it away from himself? He has depreciated it down to nothing, or what in his own eyes is nothing, and all he gets from it is sheer profit.

Hon. Mr. Roebuck: It is an awfully heavy fine that is being levied on him.

Hon. Mr. Paterson: Let us suppose that a man dies and his estate sells his house. Would the widow have to pay income tax on the profit upon the sale of that house before she paid her succession dues?

Hon. Mr. Campbell: She would have to pay both income tax on the profit on the sale, and succession duties.

Hon. Mr. Paterson: The widow has to pay income tax on that property before she can pay succession duties.

Hon. Mr. Nicol: We will presume that in the case discussed by the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) the value of the house has decreased over ten years. It was worth $10,000 and is now worth $5,000. The owner can sell it for $10,000, and if he does he has $5,000 as income. Would he have the right to give away that house?

Hon. Mr. Campbell: Oh, yes.

Hon. Mr. Hugessen: He would have to pay gift tax on it.

Hon. Mr. Nicol: He would have to pay a gift tax, but that would be a light imposition because the property is appreciated $5,000. According to the honourable senator's argument he is giving away a property having a tax value of $5,000 and is paying gift tax on a property worth $5,000. I may have something more to say when the bill comes back, but in the meantime I will merely remark that we shall find that a number of people will be up to a lot of new tricks.

Hon. Mr. Campbell: I am sure there will be no end to the questions which will occur to honourable senators, but I would say that members of the department who are responsible for the drafting of this legislation will be available in committee when the matter is considered there. I think therefore I may shorten my explanation of this section.

Hon. Mr. Haig: Yes.

Hon. Mr. Campbell: Without dealing with the bill clause by clause, I should like to touch upon other changes in the law which are proposed in the bill. I would refer honourable members to section 17. As the Minister of Finance announced in the budget resolution, there is a new departure from the past laws of taxation. In effect it is the elimination of the double taxation. The shareholder of a Canadian corporation who receives dividends from shares of any class may deduct from his income tax an amount equal to 10 per cent of the dividends received from shares of a Canadian corporation. This is dealt with by the present bill under section 17.

Hon. Mr. Davies: He deducts that from his tax?

Hon. Mr. Campbell: Yes.

Hon. Mr. Euler: The only change there is that you add "preferred dividends".

Hon. Mr. Campbell: The resolution as brought down covers common stock, and since the resolution has been brought down the bill has been drafted so as to include dividends from all share capital. The Minister of Finance, when introducing the legislation, pointed out that it was desired to encourage the investment of risk capital in Canada.

Hon. Mr. Lambert: May I ask the honourable senator if a Canadian company or corporation must be located in Canada only in so far as its executive headquarters is concerned?

Hon. Mr. Campbell: It must be a Canadian corporation which is paying taxes in Canada.

Hon. Mr. Lambert: Taxes may be paid on shares in Canada, and it still may be operating outside of Canada?

Hon. Mr. Campbell: No. May I just read section 17?

An individual who was resident in Canada at any time in a taxation year may deduct from the tax otherwise payable under this part for a taxation year the lesser of

(a) 10 per cent of the amount by which

(i) the aggregate of all dividends received by him in the year from taxable corporations in respect of

shares of the capital stock of the corporations from which they were received and of all dividends he is, by sections 8, 9 and 73 deemed to have received in the year.

Hon. Mr. Hayden: The definition of a taxable corporation is given at the bottom of the same page.

Hon. Mr. Campbell: Section 18 of the bill repeals sections 36 and 37 of the present Act, and provides for a decrease in the tax of small corporations by which the tax rate is 10 per cent on the first $10,000 of earnings of every corporation. It is proposed for the purpose of helping small corporations.

There is another provision of the bill in respect to which I should like to make an explanation. It is section 47, which is on page 36. Some objection has been taken to the wording of this section. It reads as follows:

No taxpayer shall be deemed ever to have been entitled by virtue of subsections one and two A of section eight of the Income War Tax Act and section nine of The Excess Profits Tax Act, 1940, to deduct from the taxes otherwise payable under either or both of those Acts for a taxation year an amount or amounts exceeding, in the aggregate, that proportion of the tax or taxes so otherwise payable for the year . . .

This section, as honourable senators will see, is of a retroactive character. It is to prevent corporations getting tax credit beyond the amount of taxes they would pay in Canada on dividends brought in from the United States subsidiaries by reason of having a higher tax in the United States to set off the Canadian tax payable in Canada. This section has been amended so as now to include only what are called "foreign companies". These are companies which always had the privilege of bringing over their dividends tax free. They are the only companies affected by this provision. It is felt that they should not be given this extra benefit which, in effect, would have amounted to a reduction of the taxes paid in Canada, by reason of having brought over these tax-exempt dividends. The section as drafted will appear before the committee in its amended form.

I do not think there are any other novel features dealt with by the proposed bill. As the time is getting late, unless there are some questions, I would suggest that the honourable members give the bill a second reading and refer it to the Committee on Banking and Commerce. The most important phase of the whole bill is that dealing with the question of depreciation. There are many sections which are proposed to give effect to the reduced rates, and for the purpose of tidying up the legislation as it was last year, and making it more workable and more understandable.

Hon. Mr. Haig: What about personal corporations?

Hon. Mr. Campbell: Personal corporations are dealt with in the same manner here as they were heretofore, except that there is a provision whereby they also get the benefit of that 10 per cent tax credit on dividends from Canadian corporations. In other words, if a personal corporation is in existence, it shall be deemed to have distributed its dividends each year, and as no taxes are payable by personal corporations, the shareholder who receives that money and pays the tax, will be entitled to that 10 per cent reduction in respect of dividends received by the personal corporation from other taxable Canadian companies.

Hon. Mr. Haig: Does the same law apply that presently applies? For instance, if I am a shareholder in a private corporation and my share of the profits for the year are, say, $1,000, that becomes part of my income and I do not pay any tax on the private corporation at all?

Hon. Mr. Campbell: That is right.

Hon. Mr. Nicol: May I ask the acting leader opposite (Hon. Mr. Hugessen) if the Banking and Commerce Committee will sit this evening to discuss this bill?

Hon. Mr. Hugessen: I do not think so, because it is rather late to contact the appropriate officials. I may say for the information of honourable senators that we have four or five bills on our Order Paper, and I was going to suggest to the house that we sit this evening to dispose of these bills.

All the honourable members who have charge of the bills are present and will be ready to make their explanations tonight. It should be possible to clear the order paper this evening, and I would suggest that the Banking and Commerce Committee meet tomorrow morning and consider the Income Tax Bill and other measures.

Hon. John T. Haig: Honourable senators, I regret exceedingly that it is necessary to do what the honourable gentleman suggests, for I shall not be able to attend the committee meeting tomorrow morning. In the circumstances I suggest that we arrange to have the official reporters present at the committee meeting to make a verbatim report of the evidence, and that the report be distributed to all members. Knowing that I had to leave Ottawa tonight I tried desperately to have the Income Tax Bill brought on yesterday and dealt with in committee before I went away. I should have liked to ask departmental officers a number of questions, especially

about depreciation, for I honestly think that the amendment is the thin edge of the wedge —the beginning of an attack on capital gain. I cannot see it in any other way.

If this bill passes, why would a person invest in a house or other residential property that he intended to rent? In the past one of the great inducements to an investor was the allowance of annual depreciation—on a brick or stone building at the rate of 2½ per cent, and on a frame building at 5 per cent. On the face of them the rates probably appeared to be much more generous than they really were in the light of experience. The district in which you build a house today may be a first class one, but in ten years' time a shift of population may reduce the value of the property materially. Let me give an illustration. It is a bit personal, but the best evidence in these things comes from personal knowledge. In 1914 I bought a house for $5,000, and from 1917 to 1940, a period of 23 years, I depreciated it at 5 per cent a year. I had unknowingly continued to depreciate it for three years longer than I should have, and I would not have known about it even then if the department had not called my attention to it. I asked them why they had not disallowed the depreciation for the last three years, and they said that they themselves had not noticed it. Naturally, I made a refund. But from 1914 to 1940, owing to the character of the district, I could never have sold that house for much more than $2,000. By 1941, however, because of changes that had taken place in the locality—the streetcar tracks were taken up, and an industrial plant was moved away and replaced by a nice block—I was able to sell the building for $5,000. Now, under this law I would have had to pay tax for 1941 on the whole $5,000.

Hon. Mr. Campbell: What was the cost of the building?

Hon. Mr. Haig: Originally $5,000. But I would never have dared to take off depreciation year by year if I had known that later on all the amounts of annual depreciation would be lumped together in one sum. Nobody would knowingly take off depreciation in those circumstances. That was the point made by the senator from Toronto-Trinity (Hon. Mr. Roebuck).

Hon. Mr. Moraud: That was also the argument of the gentleman from Thunder Bay (Hon. Mr. Paterson).

Hon. Mr. Haig: Yes. If after the house had been entirely depreciated I had died and left an estate of over $50,000, under this bill my family would have been taxed on that house. That is a capital levy. Why should I put money into that kind of thing when I can invest it in other things and run less chance of losing it?

Hon. Mr. Moraud: In government bonds, for instance.

Hon. Mr. Haig: Yes. I would have been better off if I had bought government bonds in 1914.

In trying to decide whether you should depreciate property year by year you have to consider not future conditions alone but conditions as they may be some years from now. Suppose a man bought a house ten years ago for $10,000, and against his rent receipts charged annual depreciation at 5 per cent. The depreciated value of the property today would be $5,000. In trying to decide whether it would be wise to continue writing off depreciation the owner has to gamble on what the house will be worth in future, say ten years from now. If he thinks it will be worth only $4,500, he should charge $500 depreciation for one year and make no write-off after that. There is no doubt that this legislation is the thin edge of a capital levy. It is a challenge to the very kind of investment that we ought to be encouraging people to make.

When I was a boy, and that was at a time when some other senators were boys, it was quite common for an artisan in a city or town to own not only the house in which he lived but perhaps one or more other houses besides. A carpenter or plumber or bricklayer, for instance, might hear that a house two or three doors away from his own was for sale, for say $2,000, and he would buy it, because he considered it a good investment. He understood house values. If I had gone to such a man and suggested that he buy Dominion Government bonds he would have said "I have no trust in government bonds, because I know nothing about them, and I do not trust your judgment, but I do trust my own judgment on house values." He would buy a house now and then, as his funds permitted, with the object of having sufficient income to retire at the age of 65. This bill would put an end to all that kind of investment, because house values change with changing conditions. A five-room house in Winnipeg or Toronto or Montreal today will sell for proportionately much more per room than a house of fifteen rooms.

The kind of investor I have been speaking of in my illustration is not an educated man. He is not an accountant or a lawyer, and he would be likely to write off depreciation every year. But after his death some lawyer might, unfortunately, have to say to his widow, "I am awfully sorry, but you will have to refund to the government a considerable sum, because during the last ten years your

husband wrote off depreciation on houses that you have now sold. It all comes down to a question of values, and what you are going to invest your money in. This bill, in the final analysis, is a capital levy, and for that reason I think it ought to be opposed.

Why did the government, when the measure was before the other house, decide to drop fishermen and farmers from its purview? My honourable friend who explained the bill offered the excuse that persons in these classes could not understand its provisions. Let me tell him that I was in the gallery of the other house and heard the Minister of Finance say that he could not understand it either. I asked a member of that house to explain it to me, and he too did not understand it.

Hon. Mr. Nicol: Then you had better not give any advice on it.

Hon. Mr. Haig: That is what I am afraid of. I think that if a real fight were put up in the committee, and I am sorry that I am not going to be here tomorrow—

Hon. Mr. Burchill: Better cancel your reservation.

Hon. Mr. Haig: I do not think my vote would make much difference. The fact is that we will be back in session around the first of February, and after the government has had an opportunity to read the debates on the bill I predict that the minister and his advisers will want to take a second look at this part of the measure. It is all very well to say that the United States has a capital levy—

Hon. Mr. Davies: Fifty per cent.

Hon. Mr. Haig: —but they are sorry now that they have it. It is a lot of trouble to them. The British investigated every angle of it, and then decided against it. The problem under such a system arises from the fact that in good years the capital levy pays off, but in bad years it does not pay off at all. The very time the country needs the revenue there is nothing coming in, and when there is no need for money, capital levy pays off. The result is that the country is careless in the good years and hard up in the poor years. When the committee meets tomorrow I think it should try to persuade the minister to drop this clause from the bill for this year, and let the department further examine the proposal.

The remainder of the bill, as I read it, seems to be all right. I am undecided about this 33 per cent question, and some other features, but they are not serious.

When I read the sections dealing with depreciation. I could not understand them at all. I thought it was perhaps because I was stupid or had had a bad night, so I went to another member of this house and asked him to read them over. He did so, and called me in the next morning and said, "There must be something wrong with my head, for I do not understand this bill." I met a high official from one of the departments at the recent Montreal-Calgary rugby game in Toronto, and I told him that I did not understand this depreciation business. He replied that it was easily interpreted. I pressed him to tell me what it meant. He said, in effect that it meant that a house or other building, or a machine or other equipment, could be sold above its depreciated value—that is if it was depreciated on or after January 1, 1949—but that the profit on the transaction was income in the year of the sale. I thought he explained it in as few words as possible, and I do not think much more could have been added. I told my friend that I was opposed to the idea, and I speak against it now with as much emphasis as I can.

Income tax in this country is a very heavy burden. Some people say that the man who makes the money should pay the tax. But there is another side to the story. With a few exceptions, the men who have higher incomes make greater contributions to business and to the country than others with less income. For instance, the head of a newspaper organization certainly contributes more to the country at large than the man who sets the type, for he makes the business possible. Also, the head of a large department store in Toronto, Montreal, Vancouver or Winnipeg surely contributes more to our country than does the boy who opens the front door in the morning. There are those who want to extend taxation to the stage where the government will take all the advantage of that ability away from the man who has it. Income tax does just that. We talk about freedom, but it only takes a burdensome income tax law to control a whole nation.

Why did the Minister of Finance remove from the bill the provisions as to preferred stock? He said—and I have no doubt it is true—that it was because of the difficulty of getting people to put their money into risk capital instead of government-guaranteed bonds. Why should any man or woman invest money in risk capital when, if it turns out well, the government may take from 50 per cent to 80 per cent in income tax. The income tax law smothers any incentive to invest in risk capital. If I were a broker or an accountant, and people asked my advice as to what to do with their money, I would say to them "Don't put it in anything that is risky,

because if you win the government takes it and if you lose you take the rap". That is the difficulty today.

I am going to say something which I have said before, and no doubt will say again many times. We are entering a period when the world is beginning to adjust itself, and there is not going to be so much free money floating around. Canada is a great country, but she requires a great deal of capital for development purposes. Unless we give our men and women a fair chance in the investment field, we will not have the money for development purposes.

Hon. Mr. Euler: How are we to get money to meet the demands that we have undertaken with our eyes open?

Hon. Mr. Haig: We lost $60 million in China, and I regret every night that I did not kick harder about that matter when I had a chance to do so. My friend from Waterloo (Hon. Mr. Euler) will agree that we lent many millions of dollars in China and got nothing in return.

Hon. Mr. Euler: And lots more besides.

Hon. Mr. Haig: As it is 6 o'clock I shall stop now and resume when the Senate reconvenes.

Hon. Mr. Hugessen: I suggest that the house reconvene at 8 o'clock to continue the business on the order paper.

At 6 o'clock the Senate took recess.

At eight o'clock the sitting was resumed.

Hon. Mr. Haig: Honourable members, at 6 o'clock I was speaking on the subject of income tax; and I have nearly finished. I have reviewed the question of depreciation as far as I want to go, because I believe that others who are to follow me will also deal with it. There is one point in this connection on which I am not clear, but I put so many questions to the proponent of the bill that I did not like to ask him any more. It has to do with provision for fire insurance. Let us assume that my house is worth for rental purposes $10,000, that I insure it for that amount, and that it burns down at a time when the property has been depreciated to, say, $5,000. What happens? Does the government require me to put up $5,000 as income? As a result of the fire I have lost $5,000. It may be said that in any event I would have lost it some day. I do not know. A depression might come along and I might be compelled to sell at the worst period of the slump. I hope that somebody will ask this question in committee tomorrow morning; and in saying this I am looking at the honourable member for LaSalle (Hon. Mr. Moraud), and the honourable member for Toronto (Hon. Mr. Hayden).

The reason I have asked for a record of the proceedings tomorrow morning is this. Every member of the Senate is anxious that our income tax law shall be fairly and honestly administered. It is not my experience that there is much crookedness in connection with the observance of this law, but as a practising lawyer I have encountered a number of cases where difficulty has arisen because, after a man died, it appeared that he did not comply with the law because he did not know what the law was. I recall that when, in 1917, the first income tax bill was introduced, the then Minister of Finance was asked a lot of questions in the House of Commons—was, so to speak, put through a quiz—and the report, taken from *Hansard* of that day, was published and proved very helpful indeed. It was with that idea in mind that I proposed that tomorrow morning's proceedings should be reported. Questions can be asked about depreciation, which is a very important feature in this bill, and these questions, with the answers to them, can be used by the department, if so desired, as a memorandum or distribution. It will be very valuable.

Before proceeding further, there are one or two things I forgot to say which I should like to mention. Technically speaking, the first, I admit, is not germane to this bill, but practically it is connected with it. The Commissioner of Income Tax for the Manitoba Division has been promoted to Vancouver; the Vancouver Commissioner has been promoted to Toronto; and one of the higher officials in the Ottawa office, namely the man in charge of succession duties, has been assigned to Winnipeg. I have only met the Ottawa official; I know the Winnipeg man, Mr. Lowrey, much better. He has been very efficient, obliging and satisfactory, and I think it is the unanimous opinion of Winnipeg members of the profession to which I belong, as well as of the accountants and business people who have to deal with the department, that he has given very fine service as Commissioner, in the administration of the Act in the province of Manitoba.

Though some of my remarks may give the impression that I am mainly concerned with criticism, I wish to give the government credit for having recently increased to $1,000 the exemption of a single person. I know that this change was announced last winter, and that it was used in the election during the summer. It is now coming into effect. I think it is a step in the right direction, although I am not sure whether under present conditions exemptions of $1,000 for a single person and $2,000 for a married couple are

adequate. I should have been inclined to increase the first to $1,250 and the second to $2,500.

There is one other plea that I should like to offer, though I know that I shall make no headway with it. The taxability of earnings in excess of $250 by a married woman amounts in reality to a reduction of the husband's exemption. I think the wife's exemption should be not less than $500. I believe that the earnings of married women would be substantially less but for the great necessity of obtaining more money for their households.

I make one more appeal. Perhaps it cannot be implemented; but it is very evident to me that as far as farmers and primary producers are concerned, income tax forms should be made more simple, and should contain an allowance for what I may describe as unchargeable amounts. I was born and brought up on a farm, and remained there until I was twenty-two years of age, so I speak with some knowledge when I say that I do not see how the ordinary farmer can keep track of the costs of his repairs and his various other disbursements. He can guess at the amount and lump it, and that is all he can do. His case is quite different from that of a business man, for to keep account of everything is part of the routine of an office. As a practising lawyer, I have had a great many farmers come to my office for help in making out their income tax returns. When asked for particulars of their expenses, they just throw up their hands. If you work all day in the field you are not likely, when you get home, to sit down and make an exact record of your expenses. I know the honourable member from Provencher (Hon. Mr. Beaubien) does not know much about it because, although he is a farmer, he is like one of those people we heard about who do their farming—

Hon. Mr. Beaubien: My honourable friend had better be careful, or like the honourable senator from Blaine Lake (Hon. Mr. Horner), I shall rise on a point of order.

Hon. Mr. Haig: I did not call the honourable senator an agriculturist; I only called him a farmer, so he has not the same ground of complaint as the honourable member from Blaine Lake had. But after a man has worked all day in the field, when he comes home at 7 or 8 or 9 o'clock in the evening he does not feel like getting out a set of books and putting down all his expenses. By the time he comes to town to get help in making up his return, he has forgotten what those expenses were. I think these are matters which the department should look into and to which it should give some consideration.

Another point of criticism is that in the prairie provinces departmental officials have harassed farmers a great deal about making their returns. The provision extending from three to five years the period over which depreciation and losses may be calculated has made matters much better for the producer. I do not know precisely what remedy can be applied, but I plead for a simpler form of tax return for farmers, fishermen, and other primary producers, all of whom would benefit by it.

I do not think the class of small house owners should be included within the scope of the depreciation clause. They are in a different class from owners of general manufacturing or industrial properties. I would suggest that tomorrow, when the minister and his officials come before the committee, they be asked to exclude householders. I have in mind not the type of householder who, like myself, owns a house and lives in it, but the person who owns two or three houses; the number, of course, could be limited as far as owners' eligibility is concerned.

In a great many cases he needs depreciation to take care of his houses. It must be remembered that around 1933 the government fixed rentals on private dwellings. I know that a lot of houses in our city were rented at a fixed rate of $16 a month, even though they should have been rentable at approximately $45 a month. People were unemployed, and you could not get any more out of them. If you forced them out on the street you would create even greater unemployment. These years should be taken into consideration, and it hardly seems fair to introduce this depreciation feature now that prices are up.

Hon. Salter A. Hayden: Honourable senators, yesterday when discussing excise tax I said that when we find a bill before us that gives statutory effect to substantial reductions in taxation, we should feel happy about it and not be too critical of the other provisions of the bill. Therefore my first words must be words of appreciation of the benefits provided in this bill—benefits which we have enjoyed since the budget came down at the last session of parliament.

Having said this, I wish to direct attention to certain phases of the bill so that honourable senators may be prepared to seek information on some of the vital points of the bill when the minister and his assistant come before them in committee.

The first matter to which I wish to direct your attention is the date—January 1, 1949—upon which the depreciation provisions in this bill become effective. A great many companies periodically during the year issue financial statements of their operations, and

in these statements, which are made public, they take the benefit of the depreciation to which they are entitled under the provisions of the existing statute. When you come down to the twelfth month of the year you find that many of these companies have already issued three quarterly statements. Some of their shares may even be listed on various exchanges, and in some cases the public have acquired ownership of these shares on the basis of those financial statements.

In this bill there are to be found a number of principles relating to depreciation. One of them is called the diminishing rate of depreciation. Up to the present time the depreciation has been constant in each year. For instance, heretofore on certain classes of assets it has been 10 per cent of the original capital value, but under the proposed amendments the depreciation will be taken on a diminishing basis. This means that in the first year it will be 10 per cent of $100; the next year it will be 10 per cent of $80, and so on. Companies which may have been taking depreciation for a period of 8, 10 or 12 years on some of their assets, and are still calculating at the basic rate of depreciation on the original capital value, will find that by the end of the year—if they are brought into line with the requirements of this bill—they are in a position where they will not be able to write off an amount of depreciation equal to the amount they have already charged in their three quarterly statements.

Without criticizing the new method of depreciation, the fact that it is brought in in December, 1949, and is to apply retroactively to January 1, 1949, is bound to create confusion and misunderstanding among the public who, relying upon the quarterly financial statements, have acquired company shares. Incidentally, when I speak of the acquisition of shares, I am not necessarily referring to acquisition by wealthy men who buy into all these corporations, because an examination of the shareholder lists of the large corporations discloses that a fairly representative cross-section of the public of Canada is included among the shareholders.

Hon. Mr. Reid: You mentioned a few minutes ago that under the new regulations, 10 per cent of $100 would come off the first year and 10 per cent of $90 the second year, and so on. I am just wondering whether the farmers and fishermen of Canada are not going to be worse off than they are under the present system of depreciation.

Hon. Mr. Hayden: No. There is little difference whether you apply a constant rate of 10 per cent to your capital costs each year, or whether you apply the 10 per cent against the net capital value each year. I would not favour one system over the other so long as there is a fair starting point. The public should know at the beginning of the year that the law is thus and so, rather than in the twelfth month of the fiscal period.

The only difference in the methods is that the life of the assets for depreciation purposes would be a little longer if the rate of depreciation in each year were applied against the reduced capital value of the assets rather than against the original cost. It is not my purpose to criticize one method and praise the other. I merely point out the confusion and uncertainty in the minds of the public in trying to harmonize the two systems. It would be much simpler if January 1, 1950, were made the effective date for bringing into force the new method of depreciation.

May I deal now with the method of depreciation itself, as proposed in the bill? I think it is basically this. For instance, suppose I receive rents from a property that originally cost me $10,000. Over a period of years I have depreciated it regularly, and when it has been depreciated to a value of $6,000 I decide to sell it for $12,000, or a gain of $2,000 over my original capital cost. Now here is the way the new formula of depreciation would apply. I would have to add to my taxable income for the year in which I sold that property the difference between the sale price and the depreciated value—which in this illustration would be $6,000—or the difference between the original cost and the depreciated value, whichever was the lesser. The difference between the original cost of $10,000 and the depreciated value of $6,000 is $4,000 which would be the lesser sum; so to my taxable income for the year in which I made the sale I would have to add $4,000 out of the sale price of the property, which amount would be subject to the rates of that year. In that case I would still be able to keep the amount of capital gain over the original cost. That is the method of calculation which would apply as from the 1st of January 1949 in relation to the subsequent sale of property upon which depreciation was charged under the proposed method.

If that were all, I suppose that in itself would be reasonably clear, whatever the implications may be. One implication, mentioned this afternoon by the honourable gentleman from Toronto-Trinity (Hon. Mr. Roebuck), is that the income tax rate in the year of sale might be very high, whereas depreciation might have been written off in years when the income tax rates were very low.

Hon. Mr. Roebuck: There is not only the difference in rate which may apply from year to year, but the difference between the rate which according to the schedule will apply to the small amount that might be saved

from year to year through the writing off of depreciation and the rate that would apply to the whole amount.

Hon. Mr. Haig: Right.

Hon. Mr. Roebuck: There is not only the variation from year to year, but the possible application of a higher rate to the whole amount.

Hon. Mr. Hayden: Right.

Hon. Mr. Haig: I am going to ask for some cheap advice.

Hon. Mr. Hayden: And that is what you may get.

Hon. Mr. Haig: A sidewalk opinion. Suppose a client came to you next year and said, "Senator, should I take depreciation or not?" What would your advice be?

Hon. Mr. Hayden: I cannot say at the moment, for I do not know enough about this bill. My advice would depend somewhat upon the financial means of the individual or corporation. If the taxpayer was financially able to afford a gamble on the future, my advice would be to take the bird in hand, charge off depreciation, and gamble on the future.

Hon. Mr. Haig: But suppose you were asked for advice by an individual who was not too well off. Let us say he owned a house for which he had paid $10,000 and which as of the 1st of January 1949 had been depreciated to $6,000.

Hon. Mr. Hayden: In that case I would advise the owner to keep the house in as good repair as he could, to charge up against his rents as much as the department would allow for maintenance, and keep the capital gain for himself and gamble on the future.

Hon. Mr. Haig: And not take depreciation.

Hon. Mr. Hayden: That would be my advice.

Hon. Mr. Haig: That would be my advice too.

Hon. Mr. Hayden: May I say a few words more on the subject of depreciation in relation to sale price? The bill refers to "the proceeds of disposition" of a property. Those words simply mean the amount obtained at a sale. The bill contains many phrases that certainly make it difficult to understand readily what the draftsman was seeking to convey.

Hon. Mr. Reid: They will all help the lawyers.

Hon. Mr. Hayden: My honourable friend will notice that I simply commented on the presence of the phrases and did not criticise their use. The "proceeds of disposition" of a property might include many things. If a property was expropriated by a governmental authority, the proceeds would be treated in the same way as if a sale had been made. Then there is the type of case which the leader of the opposition (Hon. Mr. Haig) mentioned by way of illustration. If I owned a house that I rented and had it insured for its full insurable value, that would in all probability be more than the depreciated value of the property, because the insurance would be on the basis of cost or of fair market value at the time. If the house was totally destroyed by fire the proceeds of the insurance policy would be treated in the same way as if they were the proceeds of a sale.

Hon. Mr. Hugessen: You would advise me, then, not to have a fire?

Hon. Mr. Hayden: I was going to give a little different advice. Now, here is a situation that might be created. If my building were totally destroyed by fire, and if from the insurance moneys there were taken an amount to compensate the government for the depreciation allowances made to me, I would receive less than the value of the property at the time of the fire. In other words, I would not receive from the insurance company enough money to enable me to rebuild the property at that time.

Hon. Mr. Nicol: I presume the honourable senator knows that when a building is destroyed by fire the insurance company has the choice of paying the amount of the policy or rebuilding the property. If the company chose to rebuild, what would the government do?

Hon. Mr. Hayden: I am glad the honourable gentleman has raised that point. Subsection 3 (c), on page 6 of the bill, says:

> "Proceeds of disposition" of property include (iii) an amount payable under a policy of insurance in respect of loss or destruction of property.

As I see it, property owners will have to be advised that in addition to insuring their property as heretofore they may have to arrange for insurance that would provide enough money to pay the income tax upon the amount that would be added to their taxable income for any year in which they happened to have their property destroyed by fire. There would have to be an added charge for insurance premiums, so as to give protection against reduced payment out of the insurance proceeds.

Hon. Mr. Haig: Before my honourable friend leaves that point, may I ask him if it is not likely that insurance companies will work out a policy, perhaps at a higher premium rate, under which they would guarantee to rebuild a house that was totally destroyed?

Hon. Mr. Hayden: One might be developed, and at a higher premium cost, but I still have to wrestle with the language set out in paragraph (c) of section 7 (1), which reads as follows:

"proceeds of disposition" of property include . . . (iii) an amount payable under a policy of insurance in respect of loss or destruction of property.

If, for instance, I had a property totally destroyed by fire, and if I were reasonably expeditious in repairing it, the insurance moneys payable to me could be used for the repair work, and would not be subject to income tax in that year. On first reading of the bill I thought that the exceptions applied to both partially and totally destroyed buildings, but I find now that they do not apply in both instances. I have checked with the people who sponsored the bill, and I am told that the provision was made in that form deliberately.

May I direct the attention of the house to the provisions contained in section 4, at the bottom of page 6, of the bill? Paragraph (a) of that section sets out two classes of property: First, a property which has been acquired for the purpose of gaining or producing income therefrom; and second, a property acquired for the purpose of gaining or producing income from a business conducted on it. Should the owner of the second type of property decide for some reason to use the property for a purpose other than to carry on the business for which he purchased it, under this bill, he will be presumed to have disposed of it at a fair market value. Then all the incidence occasioned by the sale of property would apply. If the fair market value was such as to permit the government to recapture some of the amount of depreciation already written off, the owner would have to add that to his current income and pay tax on it.

May I illustrate? Suppose I acquire a property for the purpose of manufacturing radios or washing machines, and I decide to rent the building to some other person and let him take the headaches of the manufacturing game; then the fair market value of the property would have to be determined and all the incidence of a sale would apply just as if I had sold the property. The recital in the bill of the various types of transactions which would bring one into the same position as if he had sold the property, indicate to me that we should make some very careful and searching inquiries into the full scope and effect of these sections.

Hon. Mr. Moraud: What is the third purpose referred to in the section?

Hon. Mr. Hayden: The bill divides the operation into two great categories: one is the acquiring and holding of property for the purpose of receiving income from it, and the other covers property acquired for the purpose of carrying on a business from which income will be gained.

Hon. Mr. Moraud: But there should be a third purpose.

Hon. Mr. Hayden: I read the words "for some other purpose" to apply to the circumstances in which I, for instance, might acquire a property for investment purposes and then decide to use it for business purposes. I do not know just what the third purpose would be.

The problem of how, and by whom, the fair value of a property shall be determined, presents itself. Are we going to have a battery of real estate experts, engineers and equipment men involved in the determination of what is the fair value? The establishment of this proposed method of allowing depreciation might have various results.

Hon. Mr. Lambert: Does my honourable friend say this provision will result in capital tax?

Hon. Mr. Hayden: On this question I do not propose to look at the matter from a legal point of view. I prefer to consider whether this is in effect a tax on capital in some form or other. I can only say that in all the years we have had income tax, certain types of transactions have been recognized as producing increment which has not been taxable. Up to the present I, for instance, could charge depreciation on a property and subsequently sell it at a profit and the gain would be regarded by the income tax department as a capital gain, and would not be taxable. The same principle has applied to business. For instance, if I acquired a property for the purpose of carrying on business and later sold out the assets at a profit, that profit was regarded as capital gain. By this measure a new principle is introduced. It appears to me that the theory behind this part of the bill is that depreciation is allowed for the definite purpose of amortising property that has been acquired; and a subsequent sale at a profit would indicate that the owner did not need the depreciation he had charged against the property.

Hon. Mr. Hugessen: In other words, it might be said to be a form of tax on capital gain, but a recovery on capital losses?

Hon. Mr. Hayden: No, I would prefer to put it this way. While one is permitted under the present law to charge against operating income a certain amount for depreciation in order to amortise the cost of the assets with which he does business, the theory behind the

bill is that depreciation is not something that one may keep under all circumstances. One is permitted to take a certain amount out of operating income and not pay tax on it; but if the day ever comes when that person makes a gain on that property in excess of its original cost, then he must pay back taxes in whatever category he may have been taxable. That means, in one year a taxpayer will pay back the equivalent of the amount by which he escaped taxation in previous years by reason of depreciation. Whether the theory is good or bad, I am not at the moment going to say.

I wish to point out that after all the years in which we have had income tax in Canada, this bill provides a marked and radical departure from the prescribed system, in that it narrows the field in which one can have a capital gain.

Hon. Mr. Hugessen: Before my friend leaves that point, I may point out that there was a precedent for this very principle in connection with special war depreciation. A company which had depreciated its wartime plant down to a minimum amount, and later had sold it for more than the depreciated value, paid a tax on the difference between the depreciated value and the amount at which the property was sold.

Hon. Mr. Hayden: That is quite true, but one must remember that that principle was employed all during the war years. The theory behind it was very sound, namely, that no one should be allowed to make an exorbitant profit out of operations during the war period. For instance, a man would go to the government and say that he was prepared to spend some money on a plant and equipment in order to carry out some particular war contract if he were assured that, by way of depreciation, he would be allowed the money that he spent in acquiring the property. The government said, "Yes, we will do that". In that way they granted a return of the capital which had been laid out. But when the government said that the depreciation on that basis was specially for war purposes, and that apart from war purposes no particular postwar value was assumed to be attached to that property, so that if afterwards it was sold at a profit over and above the depreciated value, it also said "We are going to tax all that gain to you". That was a principle developed in the stress and emergency of war to deal with a particular situation, and I think no person would deny that it was a perfectly justifiable principle to put in force during the war. But now we are in effect applying that same sort of principle to the whole field of depreciation; and the question is whether it should be done or not. It it is a matter of government policy, there may not be much that we can do about it, except to make the law so definite and explicit that everybody will understand it, and then to try to have it made effective at a date when it will cause the least disturbance to business as business is being carried on.

Hon. Mr. Euler: Suppose you take depreciation on a business property—say a manufacturing establishment, or a building where a merchant's business is being carried on—and later you sell the property for a substantial sum, can the government tax any sum greater than the sum of the depreciation that has been taken off? Say you buy a business property for $50,000, and you depreciate at two and a half per cent, or a little over a thousand dollars a year. You do that for two years, so that $2,000 has been taken off by way of depreciation. You then sell for $60,000 the property which cost you $50,000, and so have a profit of $10,000. Does the government tax apply on that $10,000 or only on the $2,000 represented by depreciation charge?

Hon. Mr. Hayden: You would pay income tax on the $2,000, because the formula provides that you shall take the sale price minus the depreciated value at that time, or the original cost minus the depreciated value, whichever is less. In dealing with depreciation that is recaptured when you make a sale, the language of the bill leaves it open to the interpretation that not only would special and extra depreciation be deducted, but also any grant or subsidy or assistance. It does not say in the bill that that grant, subsidy or assistance would only be such as might have been given by the federal authority. I think the language is broad enough to include any grant, subsidy or assistance which may have been received in relation to that property, from whatever source it came. It might have come from some provincial source as a special grant.

Hon. Mr. Moraud: What is the section?

Hon. Mr. Hayden: Section 7, subsection 2 (h):

> (h) where a taxpayer has received or is entitled to receive a grant, subsidy or other assistance from a government, municipality or other public authority in respect of or for the acquisiton of property, the capital cost of the property shall be deemed to be the capital cost thereof to the taxpayer minus the amount of the grant, subsidy or other assistance.

I do not know what happens if the grant, subsidy or assistance is made upon a basis involving some obligation to repay it at a future date.

Hon. Mr. Haig: Would that have application to cases in which, if you build within a

municipality, the municipality grants tax exemption for, say, ten or twenty years?

Hon. Mr. Hayden: I doubt it. Since this bill is going to committee I do not think I should spend too long on it now: possibly I have spent already more time than I should have. But I felt that there were some points in connection with this method of depreciation which should be mentioned.

The restrictive feature is to be found in several places in the bill. I am not concerned about the subject-matter to which it applies, but the language does represent a considerable step in the field of restrictive taxing legislation. Take, for instance, clause 32, subsection (3), which states:

(3) For greater certainty it is hereby declared and enacted that, in determining the taxable income of a non-resident-owned investment corporation for the purpose of the Income War Tax Act—

Not this Income War Tax Act, but its predecessor.

—for any taxation year after the effective date of election under subsection four of section nine of that Act . . .

That is going back to some indefinite period when the non-resident-owned investment corporation under the earlier Income War Tax Act made the election to be classed as a non-resident-owned investment corporation. And it goes on and retroactively makes a declaration as to what is and always has been the effect, the law, and the interpretation of the law, in relation to that company.

Again, in clause 47, page 36, it is stated:

No taxpayer shall be deemed ever to have been entitled, by virtue of subsections one and two A of section eight of the Income War Tax Act and section nine of The Excess Profits Tax Act, 1940, to deduct from the taxes otherwise payable under either or both of those Acts for a taxation year an amount or amounts exceeding—

thus and so.

I am not examing the subject-matter of these two sections. What I am pointing out is a rather unusual and, conceivably, pretty dangerous provision. Eight or nine or ten or twelve or fifteen years after the effective date upon which something has happened and the incidence of taxation has been determined in relation to it, you suddenly find that although you have been following a practice and assuming it to be the definite departmental practice it is now provided that the law as herein laid down, has always been the law and shall be so deemed. In the particular cases covered by these two sections there may be some justification for that provision. It may be that the department has followed a certain practice, and is only saying that this is what the law really means or is intended to mean. But to wait this length of time before asking for legal sanction, without having previously asserted the right so to do, is to say the least quite unusual; and I think that if there is one place where we should have as little as possible of the unusual and as much as possible of what is definite and certain, it is in the incidence of taxation. We should not be liable, after operating for three or five years under a law which has a certain incidence of taxation, to be confronted with a statute which declares, that no matter what has happened, the law has always been thus and so, and shall be deemed to be thus and so. I do not know what is aimed at here, but if we are properly to exercise our function there are certain parts of this bill which we should examine into and inquire why it was necessary to deal with them in this way.

Honourable senators, there are many other points with which I could deal, but it would unnecessarily delay the reference of this bill to committee.

I do want to repeat what I said when the Income Tax Bill came before us in the closing days of the 1948 session. At that time we were creating a new body of tax laws which incorporated many changes in the Income Tax Act, and we had about the same brief amount of time to consider that measure as we now have to consider the one before us. I suppose that if I went back into the history of previous years I would find that the same thing had occurred time and again. But surely the income tax law, if it is so important to the operation of government, should loom largely in our minds at the beginning of each session as something that merits our full consideration and judgment.

It is physically impossible in the last few days of a session to give a bill of this importance the consideration it deserves. This is especially true when the language is so involved as it is in this measure. I could read this bill page by page, but it would be unintelligible to those listening and it would certainly be mere words to myself. The only way you can arrive at any interpretation at all is to have the present Income Tax Act and the previous taxation statute beside you, take out a pencil and lots of paper, and then try to work from the financial statement of some company. You would have to spell out each section line by line, thinking to yourself, "What do I write down now?" Finally, you would have to add, subtract or multiply the figures you had written down, and in this way you would suddenly come upon some sort of answer.

The bill is certainly difficult to understand. I do not say this in criticism of those who created it, but rather to point out the utter absurdity of throwing such a measure at us in the last few days of the session and asking the Senate of Canada to seriously and intelligently give sanction to it. It may be the

best bill in the world, but we are not given the necessary time to consider all its implications. The best proof of this is the fact that the Income Tax Act which was passed in 1948, and was to become effective on January 1, 1949, is now being amended in the bill before us. Therefore, even after two or three years of drafting and redrafting, there are certain problems which can only be cleared up by sitting down and dealing with them specifically. Surely we should place the income tax law in its proper and important position in the list of legislation we have to consider. It should rank just about first on our agenda because it affects the business and industrial life of the country, and the economic and living conditions of our people. Surely it is our right, duty and responsibility to consider this legislation under circumstances which would enable us to feel that we have at least given it our thorough consideration.

Some Hon. Senators: Hear, hear.

Hon. J. Nicol: Honourable senators, it is not my intention to take up your time, but I shall not have another opportunity to say how I feel about the income tax law in general.

Canada is a country with only 13 million people, a small population, and we have passed laws for taxing corporations, companies and even those individuals who earn little money. Before such laws were passed by the United States that country was already widely populated and largely developed. Canada is just starting its development. There is untold wealth in the West, in Quebec and in Newfoundland, and our young men should have an opportunity to go out and accomplish things; but with laws like this it would seem that we are trying to devise ways and means to prevent these young men from making a dollar.

Some Hon. Senators: Oh, oh.

Hon. Mr. Nicol: Are we helping to develop our country and make it populous by passing such laws? These laws might be good in older countries, where all the natural resources have been developed; but for a young country that needs men of activity, enterprise and vision, we are passing laws which prevent our youth from accomplishing what some of us tried to accomplish when such laws did not exist.

I am glad that the farmers and fishermen will be exempted from the provisions of section 7, but I think the exemption should apply to other classes. Carpenters and mechanics, for instance, should be exempted. How can an ambitious young man with good training create capital for himself, if we pass laws that make it impossible for him to make a capital gain? In my province there are many centres where young men have banded together to build themselves houses. In Three Rivers, for instance, a certain priest got the young men of his parish together, and they built ten houses for themselves; and eventually they built 100 houses under a co-operative scheme. This is now being done in Sherbrooke, and recently I gave my men a number of lots upon which to build houses under a similar co-operative scheme. But, should one of them decide in the future to sell his house, where will the profit go, if there is any profit? Why should I give a man a lot upon which to build, if the government is to say, should he decide to sell, that because he did not pay for it, he made a profit on it of say $1,500, and must therefore pay a tax on it. Do you think that we can help to build this country by passing such laws?

I am willing that the government should have all the revenue it needs to carry on the affairs of this country. When the war came and the Minister of Finance visited Sherbrooke, I told him that he could levy all the taxes he required, because we wanted to win the war. The government took all the money they needed, and now the war is over are we going to get everything we should get in this time of peace? I think it is about time that the men who are running this country began to realize that the war is over and that money matters are important to the people of this country. During the war people did not mind paying heavy taxes, but now it is time that we did our best to reduce the tax burden, especially on our working classes. They are the people whose labour produces the bulk of our national wealth, and they should be allowed to retain at least a part of what they produce. If we continue to increase taxes there will be no incentive left for our young people. In order to preserve a democratic government and country we must make it possible for Canadians to maintain proper standards of living and save something from their earnings.

Unless I can be satisfied by explanations made in committee I shall vote against this bill.

Hon. Lucien Moraud: Honourable senators, may I emphasize one point, which I think has special application to my city and other municipalities in the same part of Quebec? They are populated mostly by people who have come in from the country, people who have had a lot to do with land and who, when they accumulate a little spare money, invest it in land. I believe that the period of the last war was the first time in the history of my city when ordinary people there invested in government bonds. In general the people are thrifty, and when a man has been able to

save a little money he will build a house which will not only accommodate his family but also provide a small income. A person who wishes to borrow money for building purposes usually applies to a lending company. The *caisses populaires*, of which I believe my honourable friend from Kennebec (Hon. Mr. Vaillancourt) is the head, have been established principally for the purpose of making mortgage loans to such people. When a man builds or acquires a property in this way he uses the income tax depreciation allowance as part of his repayment to the *caisse populaire* or small insurance company which made him a loan.

Section 7 of the bill would discourage these people from saving for the purpose of building houses, and they would not be much interested in saving for any other purpose, such as investing in stocks or bonds. Therefore I urge that the section be amended so as to protect not only farmers and fishermen, but also people having small investments in houses.

Hon. Cyrille Vaillancourt: Honourable senators, I should like to ask for some free advice from the senator who explained the bill (Hon. Mr. Hayden). In my city of Levis there is an old family corporation which has been operating a machine shop for eighty years. In 1931 business was very poor, as many honourable senators will remember, and the company was unable to continue without financial assistance. At that time it was impossible to sell the plant at any price. Application for a loan was made to our *caisse populaire*, and in order to provide employment for the workmen we reorganized the company and lent it $25,000. Now the plant is doing well and has 67 employees. The head of the company is becoming old and expects to sell out to his employees next year at $50,000. Of course, the building and machinery have long since been depreciated 100 per cent. What will happen if this section 7 is passed? I am afraid that it will diminish his estate.

Hon. Mr. Hayden: The simple answer is that if this plan of depreciation goes into force the capital value of a property will be established as of January 1, 1949, at the original cost, less depreciation that has been taken. The only way in which a person could avoid the incidence of the act would be by not coming under the Act. If the company in Levis charged no further depreciation after the 1st of January, 1949, it would not be subject to this new plan—and there is no reason why it should be subject to it if the property has been fully depreciated.

Perhaps the honourable senator from Bedford (Hon. Mr. Nicol) will permit me to correct a statement that he made. This plan of depreciation deals with what is called depreciable property, and that does not include land. So the price of land would not enter into the calculations for purposes of depreciation under this bill.

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.

REPORTING OF PROCEEDINGS IN COMMITTEE

The Hon. the Speaker: I would suggest to the honourable leader of the opposition (Hon. Mr. Haig) that if he wishes to have the proceedings of the committee reported and printed there should be a special motion authorizing that.

Hon. Mr. Moraud: Should that motion be made in committee, Mr. Speaker?

Hon. Mr. Haig: The honourable gentleman from La Salle (Hon. Mr. Moraud) will make the motion in committee.

The Hon. the Speaker: If the motion is passed by the committee, it will have to be approved by the Senate.

Hon. Mr. Haig: Mr. Speaker, may I have permission to make the motion now?

The Hon. the Speaker: Yes.

Hon. Mr. Haig: Honourable senators, I move that the proceedings before the Standing Committee on Banking and Commerce with respect to Bill 176, an Act to amend the Income Tax Act and the Income War Tax Act, be taken down in shorthand and transcribed; that the committee be authorized to print 500 copies in English and 200 copies in French of its proceedings on the bill, and that Rule 100 be suspended in relation to the said printing.

The motion was agreed to.

MARITIME COAL PRODUCTION ASSISTANCE BILL

SECOND READING

On the Order:

Second reading, Bill 217, an Act to assist producers of coal in the Atlantic Maritime provinces.

Hon. Mr. Hugessen: Honourable senators, the leader (Hon. Mr. Robertson) has asked the honourable gentleman from Margaree Forks (Hon. Mr. MacLennan) to handle this bill.

Hon. Donald MacLennan moved the second reading of the bill.

He said: Honourable senators, I have listened to such a spate of eloquence today that I do not propose to take much time to explain this bill. I apprehend that each honourable member could, by reading the bill, understand it now just as well as or better than he will after my explanation.

The purpose of the bill is to enable the government to make loans to an amount not exceeding $10 million to the coal mining industry in the Maritime Provinces. The Dominion Steel and Coal Company produces about 80 per cent of the total output in that area, and I surmise that the major portion of the loans will go to that company. The bill provides that no producer may receive a loan of more than two-thirds of the cost of the project in respect of which it is made. The producers will have to furnish the money for the other third.

Honourable senators may have observed that in the other place—in my younger days that term referred to nether regions—there was little if any objection to this bill. In view of the need for the measure, I do not anticipate much opposition in this house.

The money borrowed is to be returned to the government at the rate of 30 cents a ton of coal sold from any mine on which borrowed money has been expended. Loans shall bear interest at a rate based on the average interest return yielded by government bonds, and are to be repaid within fifteen years. If a producer wishes to pay a thousand dollars of the principal sum in any one year, that amount will be regarded as depreciation and be tax free.

That, honourable senators, covers the main provisions of the bill. The bill is made necessary by the high cost of producing coal in the Maritime provinces. May I give the comparative cost of production in the Maritime provinces and in four American states that compete with us? It must be remembered that 87 per cent of the coal in the Maritime area is sub-marine. Some mines in Cape Breton are at this moment four miles under the sea. I think the Act regulating coal mines in Nova Scotia permits operations five miles under the sea, provided there is for safety purposes a coverage of about 4,000 feet. Costs of mining and transporting coal in the states of West Virginia, Kentucky, Pennsylvania and Ohio are much lower than in the Maritime provinces. For instance, one man in the States can handle fifty tons of coal a day, whereas in the Maritime provinces the average is only ten tons. Assuming the wage rate to be the same in both countries, that means the labour cost in the Maritimes is approximately five times higher than in the States.

The daily production per man in Nova Scotia during 1948 was 2·19 tons, and in New Brunswick 2·22 tons; the production per man by our competitors in West Virginia was 5·61 tons, Kentucky 5·08, Pennsylvania 5·28 and Ohio 6·77.

Hon. Mr. Horner: May I ask my honourable friend if the daily production is higher in the United States mines because the men there are better than those in the Nova Scotia mines?

Hon. Mr. Beaubien: The Nova Scotians are the very best.

Hon. Mr. MacLennan: Did you ever hear of a bad man in Nova Scotia?

Some Hon. Senators: Oh, oh.

Hon. Mr. MacLennan: I recall that during the First World War the mines in the United States produced coal at the rate of $1.10 per ton, when it was costing Canadian producers $3.50 per ton. In the States they do not mine coal as we do in the Maritimes, they simply quarry it. They can take a great deal more coal, but the pressure from the surface on the seam under the sea is such that they must leave a lot more coal to keep the roof up. I do not know whether any honourable senator would like to ask any questions about this bill.

Hon. Mr. Horner: What is meant by "carrying out a project"? What project?

Hon. Mr. MacLennan: I think you will find the explanation in the bill: Section 3 states:

> Subject to the provisions of this Act and with the approval of the Governor in Council, the minister out of unappropriated moneys in the Consolidated Revenue Fund may, in accordance with an agreement between the minister and a coal producer, make a loan to the coal producer for the purpose of carrying out a project, but no loan shall exceed two-thirds of the cost, as determined by the minister, of the project in respect of which it is made.

"The project in respect of which it is made" is the installation of modern machinery in a mine. I believe that this is entirely for the purpose of equipping mines with the most modern machinery.

Hon. Mr. Euler: I am glad my honourable friend mentioned that point. I should like to ask him a question. It is unfortunate, of course, that the cost of producing coal in Nova Scotia is so much higher than in the United States. As I understand the bill, $10 million may be loaned, as the honourable senator has said, to purchase up-to-date machinery. What I am curious to know is whether this amount of relief or assistance will provide a permanent solution of a problem that to me seems to be almost insoluble.

Hon. Mr. MacLennan: The Coal Commission which was appointed some years ago recommended this grant, and the Coal Board now

recommends it, stating that by installing modern machinery the coal can be mined very much more cheaply, and as a consequence will be competitive with the American product.

Hon. Mr. Euler: Without further assistance?

Hon. Mr. MacLennan: Without further assistance. Also, mark you, the minister says that one purpose of granting this loan is to do away with the subventions which have been given to the railroads for carrying the coal at a cheaper rate to Quebec and Ontario.

Hon. Mr. Moraud: Oh, no, you will not be able to do that. Maritime producers will not be able to compete with Pennsylvania.

Hon. Mr. MacLennan: At least the loan will help to reduce the amount of the subventions.

Hon. Mr. Moraud: We shall never be able to compete with Pennsylvania and other American states which are near Ontario.

Hon. Mr. MacLennan: I don't know about that. The idea expressed by the minister was that this loan was calculated to at least reduce the subventions now granted to the railways for carrying Maritimes' coal. Let us hope that that will be the effect. Modern machinery is revolutionizing coal mining. I have seen illustrations of the machines at work. The coal, instead of being dug with picks, is taken out by a machine, without the aid of manpower, and as the coal falls from the face it drops on a conveyor belt which takes it to a chute where it is loaded in boxes to be hauled to the surface. The project is to mechanize the coal mines of the Maritime Provinces through the installation of machinery of that kind.

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. Hugessen: Now.

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

DOMINION-PROVINCIAL TAX RENTAL AGREEMENTS BILL

SECOND READING

Hon. A. K. Hugessen moved the second reading of Bill 215, an Act to amend the Dominion-Provincial Tax Rental Agreements Act, 1947.

He said: Honourable senators, this is a bill to amend in a few particulars the Dominion-Provincial Tax Rental Agreements Act of 1947. Honourable senators will remember that the Act of 1947 provided that such provinces of Canada as so desired might enter agreements with the Dominion Government by which the provinces would abandon in favour of the Dominion Government certain tax fields, including the income tax on corporations. But by section 3 of that Act it was provided that notwithstanding such a province might have entered into an agreement with the Dominion for that purpose, it could nevertheless, without violating the agreement, levy a tax of 5 per cent on the corporate income of companies within that province.

Now, by section 7 of the Act of 1947 the federal government undertook to pay to the government of any province, whether it made an agreement with the dominion under this Act or not, 50 per cent of the income tax which the federal government deprived from companies generating and distributing electricity, gas, or steam in the province.

Hon. Mr. Moraud: Does this bill apply to all provinces?

Hon. Mr. Hugessen: Yes, regardless of whether they make an agreeement with the Dominion or not.

Hon. Mr. Euler: Does it apply to the provincially-owned hydros?

Hon. Mr. Hugessen: No; just to companies which are subject to income tax and from which the Dominion Government levies income tax.

This payment of 50 per cent under the 1947 Act was subject to the deduction of certain provincial and municipal taxes on royalties levied by the province upon the company concerned, except for this 5 per cent corporation tax levied under section 3 of the Act by any province which had made a tax agreement with the Dominion Government.

Section 1 of this bill is designed to extend these benefits to the provinces which have not made tax agreements with the Dominion Government under the 1947 Act. Those two provinces, as honourable senators know, are Ontario and Quebec. So, in the result, section 1 of this bill will mean this: an amount up to 5 per cent on corporate income, levied by the province of Ontario or Quebec on electrical distribution companies operating in these provinces, will no longer be deducted from the 50 per cent of the Dominion income tax on the companies concerned, and which the Dominion now remits to these provinces.

Hon. Mr. Moraud: There are none in Ontario, are there?

Hon. Mr. Hugessen: I think there are some privately-owned companies in northern and western Ontario.

The remaining sections of the bill are not of great importance. They provide that this benefit shall accrue in the case of a parent corporation which owns a subsidiary that carries on the actual distribution of electricity. They also provide that certain returns be made to the Minister of National Revenue by power companies, with a view to enabling the minister to establish the amount of taxes, and so on, under this Act. They also bring the province of Newfoundland within the purview of the Act.

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

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.

CANADIAN VESSEL CONSTRUCTION ASSISTANCE BILL

SECOND READING

On the Order:

Second reading of Bill 216, an Act to encourage the Construction and Conversion of Vessels in Canada.

Hon. Mr. Hugessen: Honourable senators, the honourable leader of the government (Hon. Mr. Robertson) had asked the honourable senator from Carleton (Hon. Mr. Fogo) to handle this bill.

Hon. J. G. Fogo moved the second reading of the bill.

He said: Honourable senators, as intimated in the Speech from the Throne, this measure is introduced to bring some assistance to the shipbuilding industry of Canada. The maintenance of a shipbuilding industry in this country is of great importance from an economic standpoint, but it is of even greater importance from the standpoint of national security.

I believe I can shorten my remarks by referring to the report of June 30, 1949, of the Canadian Maritime Commission. On pages 46 and 47 of this report the commission sets out its conclusions as to the reasons for the desirability of maintaining a Canadian shipbuilding industry. The main reason is national security. It has been suggested that in occasion of emergency we might look to the United Kingdom and even to Europe to supply us with ships, but I think the considered opinion is that in the event of war United Kingdom and European shipyards might be vulnerable.

This industry has had a rather fluctuating history. It was at a very low ebb prior to the war of 1914-18, and when sinkings due to submarine activities were numerous, it was found necessary to build up a shipbuilding industry in Canada. Naturally, when the country had to undertake such a job during wartime and under the pressure of emergency, the expense involved was much greater than it would be to maintain an industry in peacetime. In the interval between 1918 and 1939, our shipbuilding industry was very materially reduced, and as a result of the outbreak of war in 1939 we revived our shipyards and ship-repair plants across the country, and wound up with a fairly substantial mercantile fleet at the end of hostilities.

I quote from the report of the Maritime Commission:

> On two occasions Canada has succeeded at considerable cost in rebuilding both industries, and physically it might be possible to do so again. The main argument against the disestablishment of the two industries lies in the loss of trained seamen and skilled artisans. This is especially true in the case of the shipyards where a body of highly-trained technicians and artisans now exists. The danger of time-lag must be recognized. It not only takes time to create facilities but also to assemble trained workmen with the necessary skills and it is possible that such time may not be available in another emergency.

Honourable senators, I will not quote further from this report, but I would commend it to you for reading. I think you will find it a very useful compendium of information about the shipbuilding industry of this country.

Honourable senators, this bill relates particularly to the shipbuilding industry, and provides for assistance in a way that might be called "special depreciation" in the case of vessels built and converted in Canada. Our shipbuilding costs are actually about 25 per cent higher than costs in Britain, and so some inducement must be offered to encourage the building of ships in our own yards. Consequently, this bill permits the owner of a vessel built in our own yards to write off depreciation at a rate not exceeding 33⅓ per cent per year. That is to say, he may take 33⅓ per cent off each year, or the whole amount in three years.

Hon. Mr. Euler: If he were to sell the vessel would he be subject to this new income tax?

Hon. Mr. Fogo: Yes, that is also covered in this bill. At one time the rate of depreciation was 4 per cent, but it was recently raised to 6 per cent. One of the defects in the present system is that even in a loss-year the shipowner must take 50 per cent of the depreciation. Therefore, he would have to take 3 per cent of the depreciation even if he had no profit. Under this proposed legislation he will not be required to do that; he may take

any amount up to the 33⅓ per cent, and he may defer doing so if there is no profit in any year. In other words, as I understand it, he is not bound to take his depreciation in the three years but may spread it over a longer period.

Hon. Mr. Haig: He need take it only when he makes a profit.

Hon. Mr. Fogo: Yes, he need take it only when he has a profit.

The other quite important feature of the bill is that this same assistance will apply to the conversion of ships. That is, owners of ships of Canadian registry that are converted in Canadian yards to a different type or to different specifications will be entitled to write off the cost of conversion in the same way.

Hon. Mr. Reid: May I ask a question? From a quick glance at the bill it would look as if vessel owners will be entitled to deduct an allowance for conversion. What would be the situation if an owner fully depreciated a vessel over a period of three years and sold it a year or two later for more than the cost of building?

Hon. Mr. Fogo: I would call the honourable gentleman's attention to subsection (3) on page 2 of the bill, which reads:

> For the purposes of the Income Tax Act
> (a) a vessel in respect of which an allowance has been made under subsection one shall be deemed to be a prescribed class within the meaning of section twenty of that act.

That is section 20 of the Income Tax Act, the section which enacts the new depreciation scheme that we discussed at length this afternoon and evening.

Hon. Mr. Reid: I was afraid of that.

Hon. Mr. Fogo: But it will be appreciated that there is some advantage for the owner who builds a ship to operate it. After all, there would be some unfairness if a shipowner were allowed to write off the whole cost in three years and not be accountable if he sold the ship in the fourth year, for obviously three years do not bear any direct relation to the life of a ship. Assuming for purposes of the discussion that the life of a ship is twenty years, an owner who writes off the cost in three years has, on the theory of straight-line depreciation, seventeen years of use which he can sell; and in that way he could make a profit, just as a corporation could have made a profit during the war had it been allowed to dispose of property upon which special depreciation had been granted.

Hon. Mr. Leger: It is a form of subsidy, is it not?

Hon. Mr. Fogo: I think that accelerated depreciation is, in a sense, a subsidy, but it is not as direct a subsidy as there was in the days of 100 per cent excess taxes.

Hon. Mr. Euler: There is no payment of cash.

Hon. Mr. Fogo: No, the government does not pay any cash, but permits the owner to delay payment of taxes. One must not fall into the delusion that an owner who writes off a vessel in three years derives nothing but advantages from his action. If a ship is fully written off in three years, no depreciation can be charged on it after that time and the owner would have larger profits to be taxed. It will be remembered that during the war some people held up their hands in horror at the suggestion that anyone should be allowed to write off a whole plant in one year, but perhaps no one who saw the system in operation would feel that way about it. If a company fully depreciated its plant in 1943 it could not make any depreciation charges in 1944, and therefore in that year was subject to the excess profits tax on 100 per cent of its profits. When an owner has his ship fully written off he is liable to the corporation tax, and perhaps in the long run the government will get some recovery. A depreciation allowance is not altogether one-sided. I should call it assistance rather than a subsidy.

Sections 4, 5 and 6 relate to the same subject; that is, they are complementary.

Section 7 is new. It allows a ship-owner to set up a special reserve for the purpose of meeting the expenses of quadrennial surveys. It will be remembered that the Income Tax Act permitted practically no reserves to be built up except for bad debts. A quadrennial survey is required under the Canada Shipping Act, and in the light of some recent events which have emphasized the desirability of tightening up the inspection of ships, I should expect that these surveys may become of increasing importance in future.

Section 8 provides that the Act shall come into force on a day to be fixed by proclamation.

There is perhaps one more relevant point with which I might deal. It has been asked why assistance should be given to the building of ships at a time when some ships are idle. I made some inquiries about that, and the answer is that there is a shortage of ships on the Great Lakes. The honourable gentleman from Thunder Bay (Hon. Mr. Paterson) who is very familiar with the matter, told me today that he estimates there are 69 fewer canal-size ships, so-called, on the Great Lakes today than there were prior to the war. A canal-size ship, I understand, is 250 feet

long, 42 feet wide and with a draft of 14 feet. While it is true that some ships are idle in Halifax and Vancouver, their idleness is the result of extraordinary conditions brought about by the exchange situation and other factors. One of these is the American government's restriction on the use of foreign ships in the carriage of goods under the United States Foreign Assistance Act, which provides, if I remember correctly, that at least 50 per cent of goods exported from the United States by water must be carried in United States bottoms. Another factor is the serious decline in ocean freight. The competition is terribly keen and our operating costs are comparatively high. Conversion of some ships that are now idle, into faster ships which could be operated more cheaply, should enable us to meet competition better and benefit from ocean freights as well as from carriage on inland and coastal waters.

I commend the second reading of the bill to honourable members of this house.

Hon. L. Moraud: Honourable senators, I have only a few words to say.

I think the bill is a step in the right direction, but I am quite sure that it does not go far enough. Beyond the provisions contained in this bill, I understand that the government has decided on a policy of subsidizing the ship industry. Even the allowance for depreciation will affect only the ships that are operating, because ships that are idle would have no operating profits.

I think our problem is to correct the present condition of idleness that exists in the shipbuilding industry. During the war there were 2,000 men trained in the shipbuilding plant in the city of Quebec, and they became very skilful. Today in that same plant there are only 40 men at work. A similar situation exists in Levis, where there are two plants practically idle. I am told that a good many of our sea-going vessels do not operate because they cannot compete with the ships of other countries. They are either not fast enough or their crews are better paid than those on the ships of other countries, thereby increasing the cost of operation.

Even the granting of depreciation may not cure the problem of idleness in our shipyards. The government seems reluctant to giving direct subsidies, and its indirect subsidies will have to go much further to keep plants from being dismantled. In order to compete with other nations of the world, Canada should be building ships of the modern and faster types.

I repeat that in Quebec city only 40 out of 2,000 skilled workers are employed in the plant today, and the two large shipyards at Levis have no contracts, and will not have any unless the government comes to their rescue.

Hon. R. B. Horner: Honourable senators, I am always amused when the Liberals, who are always talking about free trade, bring in protective measures. When this bill was being explained I was watching the honourable senator from Waterloo (Hon. Mr. Euler), who has delivered some great orations on the Liberal policy of free trade.

Hon. Mr. Euler: You never heard me in your life.

Hon. Mr. Horner: The bill before us is a measure of pure protection—a good old Conservative doctrine—to provide trained men for times of emergency. I recall that thirty years ago prominent Conservatives were making speeches along the lines of protection for industry in this country.

If England can build ships at 25 per cent cheaper than Canada can, why do we not buy more from her and enable her to buy our food? Japan could build ships for us at a quarter of our cost, and she is anxious to do it in return for some of our products. Let each country produce the commodities best suited to it and exchange them for the specialties of other countries. Let us buy ships from Japan and England.

Hon. Mr. Euler: And coal from the United States.

Hon. Mr. Horner: In this way we could buy ships cheaper than we could build them, and in return we could give our grain and livestock, which Canada produces in abundance. Canada's whole trade system is, in my opinion, operating backwards.

Hon. Thomas Reid: Honourable senators, I can scarcely let the last remarks pass without offering a word or two by way of contradiction. If we think Japan can produce ships at a quarter of the cost at which we can build them, we are overlooking the fact that British Columbia built ships during the recent war at costs comparable to those of the Clyde. As a matter of fact, the cost of shipbuilding in Vancouver and New Westminster was small compared with the cost in any other part of Canada. During the war another senator and I were members of the War Expenditures Committee whose duty it was to visit every shipbuilding plant in Canada, including Quebec.

When anyone says that Britain can build ships at 25 per cent less than the cost in Canada, that statement does not apply to the Pacific coast. Out there we have experienced men who came from the Clyde shipyards, and their remarkable record during the war would be hard to beat. I do not think that

even Japan could compete with the Pacific coast in the matter of shipbuilding costs; and I am quite sure we can build ships cheaper than they can be built in the Clyde shipyards.

Hon. Mr. Moraud: And cheaper than in the United States.

Hon. Mr. Reid: Certainly cheaper than in the United States.

Hon. Mr. Lambert: May I ask the honourable senator from La Salle (Hon. Mr. Moraud) whether the assistance offered by this bill will enable the shipping industry of this country to export ships to other countries, or are the new ships to be used only for our own trade purposes? If the shipping industry is to be as successful as it should be, I think it should be looked at from the same point of view as any other industry, namely, with a view to producing for sale outside of this country.

Hon. Mr. Moraud: The answer is that charity begins at home. We should first build a fleet which could compete with those of other countries. I am sure the honourable senator from Carleton (Hon. Mr. Fogo) would agree that one of the main reasons why so many sea-going ships are idle today is that they cannot compete effectively with the ships of other countries.

Hon. Mr. Lambert: Is it the assumption that an additional supply of ships would promote trade, or that an additional volume of trade would promote the building of ships? I think that is the equation that has to be considered in connection with this bill.

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

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.

CUSTOMS TARIFF BILL

SECOND READING

On the Order:

Second reading of Bill 221, an Act to amend the Customs Tariff.

Hon. Mr. Hugessen: The honourable leader of the house has asked the honourable senator from Ottawa to explain this bill.

Hon. Norman P. Lambert moved the second reading of the bill.

He said: Honourable senators, this bill is very brief and simple in its purview. It relates to items 1215 and 1216 of Schedule "C" of the Customs Tariff Act. Item 1215, as set forth in the bill, relates to the entry into Canada of used cars and trucks. Item 1216 relates to the entry into Canada of used aircraft.

During the past several years, particularly during last year, there have been a number of applications for the entry of such equipment into Canada, but there is no authority under which relief can be granted. In the past year or two a number of cases of hardships have been brought to the attention of the Department of National Revenue. I have in my hand an analysis of some 150 applications for relief in this connection. In addition, there were recorded in the department some twenty-nine written inquiries relating to the entry into Canada, of used equipment, mainly from the United States, but also from abroad.

This bill does not interfere in any way with the ordinary course of trade and commerce between the countries. In the explanatory note the classes of goods affected are enumerated as follows:

Automobiles acquired by Canadians returning to Canada after a substantial period of residence in a foreign country; gifts of automobiles to religious institutions or clergy engaged in religious or welfare work; trucks and aircraft imported as part of the equipment of United States firms engaged in exploratory or development work in the Alberta oil fields; special type aircraft not available in Canada for use in prospecting or in the transportation of supplies to remote areas.

"A substantial period of residence", I assume, would be the better part of a year or maybe more than a year. I have here some examples. Fifty applications for entry were made by persons who had acquired used cars while in temporary residence in other countries. Twenty-three of the applicants were students who were taking post-graduate or specialized courses and who had resided in the foreign country anywhere from one to three years—several were DVA-subsidized. Their reason for wanting to bring in their cars with their other personal effects was to save family transportation costs and to use their vehicles in Canada. Some real cases of hardship were created by the prohibition, and the department's only alternative was to permit temporary entry of the vehicle, which necessitated its exportation later and its sale abroad. Great inconvenience and financial loss resulted in most cases. Nineteen workers who had obtained employment in the United States, and who bought cars to travel back and forth to work, wished to bring their cars into Canada for reasons similar to those of the students. The difference between these two classes was largely one of time—time spent in the foreign country—the student being bound to stay at least one year, whereas the workers usually remained only for

months. Then reference is made to a number of other cases which, if the Senate desires, could be explored or made the subject of questions in committee tomorrow.

Some Hon. Senators: No, no.

Hon. Mr. Moraud: How will the system work? The Governor in Council may permit the importation. I suppose the applications for entry have to be made to the Customs Department.

Hon. Mr. Lambert: Yes. The Department of National Revenue will receive the applications. The amendments merely provide that the Governor in Council may permit importation in certain cases or classes of cases.

Hon. Mr. Moraud: So an order in council would be needed in each case.

Hon. Mr. Euler: By order in council anything can be admitted into this country.

Hon. Mr. Lambert: I think the purpose of the bill is to bring the items in the schedule into line with provisions which may be made under order in council.

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. Hugessen: 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

Thursday, December 8, 1949

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

Prayers and routine proceedings.

DIPLOMATIC AND TRADE RELATIONS WITH ISRAEL—CLAIMS AGAINST CZECHOSLOVAKIA

INQUIRIES

On notices of inquiries.

Hon. Mr. Robertson: Honourable senators, I may say to my honourable friend from Toronto-Trinity (Hon. Mr. Roebuck) that I have not overlooked the inquiries of which he gave notice a day or so ago. As a matter of fact, I have the answers in my office. They come from three departments, and require consolidation. I shall present them as soon as this is completed, either this afternoon or at the next sitting.

Hon. Mr. Robertson: Honourable senators,

NATIONAL DEFENCE BILL

THIRD READING POSTPONED

On the Order:

Third reading, Bill J-5, as amended, an Act respecting national defence.

Hon. Mr. Robertson: Honourable senators, there is no urgent need for passing this bill today, for it could not possibly be disposed of in the other house during the current session, and as the Banking and Commerce Committee is desirous of resuming consideration of the Income Tax Bill as soon as the Senate rises it has been suggested to me that this order be allowed to stand for the time being.

The Hon. the Speaker: The order stands.

CANADA FORESTRY BILL

SECOND READING

On the Order:

Second reading of Bill 62, an Act respecting Forest Conservation.

Hon. Mr. Robertson: Honourable senators, I have asked my government colleague, the honourable senator from Edmonton, to handle this bill.

Some Hon. Senators: Hear, hear.

Hon. J. A. MacKinnon moved second reading of the bill.

He said: Honourable senators, may I thank my leader in this chamber for giving me this opportunity to make my first speech in the Senate? As I returned only at noon today from a trip to the West Indies, made necessary by government requirements, my remarks on this bill will be somewhat shorter and more formal than they otherwise would be. I left Barbados yesterday morning and arrived in Ottawa at noon today, and have not had much opportunity to prepare a full explanation of the bill.

Honourable senators, it is with considerable personal pleasure that I move second reading of the Canada Forestry Bill. This measure represents a major forward step in conserving a great natural resource of this country. It contains proposals on which there is a very wide measure of agreement throughout Canada. It deals with a subject to which I gave close study and attention during the period I served as Minister of Mines and Resources. The groundwork of this particular legislation was firmly constructed by my predecessors in that portfolio.

I doubt if there is today any subject in the field of public administration in Canada which commands greater unanimity than that of forest conservation. Over the years there has been a steady growth in public awareness of, and interest in, forest maintenance. It is realized on all sides that our forests are not only a basic resource but a national as well as a provincial trust.

In its 1945 proposals to the Dominion-Provincial Conference, the federal government, as part of a recommended public investment program, urged a widely-expanded forestry policy. This covered protection of regional watersheds and demonstration projects and it proposed assistance to the provinces in the preservation and management of forests, including protection against fire, insects and disease.

Within the past five years provincial royal commissions have reported on the forestry situation in British Columbia, Saskatchewan and Ontario. In each report there are definite references to the desirablity of federal assistance in the forestry field. Even though the ownership of Canadian forests and other natural resources is vested in the provinces, there can be no doubt that the federal government has very definite responsibilities in forestry matters. The measure now before this chamber offers a logical approach towards the provision of a statutory authority for the proper discharge of those federal obligations.

This bill contemplates two things. First, it provides for the establishment of national forests or forest experimental areas on lands belonging to the Crown in the right of Canada; and second, it empowers the federal government to enter into agreements with the provinces for a number of purposes relating to forest conservation.

There is no question whatever of any invasion of provincial rights or jurisdiction being involved in this proposed legislation. In essence, this bill forms a basis for joint action by the dominion and the provinces in the forestry field. The measure is purely permissive in nature, and contains no one-sided power of expropriation. Under this bill it is not intended that any forest experimental area or national forest shall be established contrary to the wishes of a province. As a matter of policy, the concurrence of the province concerned will first be obtained. It was while I was Minister of Mines and Resources that government authorities in all the provinces were given an opportunity to carefully study our proposals. Far from raising any objection to this federal plan, the provinces generally voiced whole-hearted and unanimous approval.

With the increasing need for maintaining and developing our forest resources, it has become apparent that the existing Dominion Forest Reserves and Parks Act no longer has any application. It fails therefore, to serve as a proper medium for carrying out the policy and responsibilities of the federal government in forestry matters.

The measure now submitted brings the statutory authority up to date and in line with present-day requirements. It provides a proper framework for building a national forestry policy, which is badly needed. Above all, it is designed to promote working co-operation in this field and between the provinces, the forestry industry and the dominion. It provides the foundation for effective national action when such action is necessary and desirable.

I cannot speak too highly of the work and personnel of the Dominion Forest Service, which operates research laboratories in Ottawa and Vancouver, and participates with private industry in operating a pulp and paper research laboratory in Montreal. It also operates forest experimental stations in five provinces. It has gathered forestry information of great benefit to the provinces and the industry and, of course, to the federal government. New techniques and equipment have been developed. The Dominion Forest Service is, in fact, making a permanent contribution to Canadian prosperity. Under this bill its opportunities for service will definitely be widened, with a corresponding benefit to Canada as a whole.

Whether for the purpose of watershed protection, tourist attraction, fish and game conservation or forest products wealth, Canada's forests are among her most important possessions. Few industries can do without wood products.

In Alberta, my home province, the irrigation farmer is vitally concerned in the protection of mountain forests, as they slow down and distribute evenly the annual run-off from melting snow and glaciers. Actually, forests on the east slope of the Rockies govern the flow of virtually every river watering the western plains. It is essential in the interests of national well-being that the forests of this country be developed, so that their yield will be continuous and sufficiently abundant, to meet not only the internal needs of Canada but the requirements of our foreign trade. We need to exercise care and wise judgment in protecting this great primary resource, and in organizing the production and harvesting of our timber wealth. This is a task which requires large expenditures of time, money and skill, but we could not make a better investment in the future of this nation.

Some Hon. Senators: Hear, hear.

Hon. R. B. Horner: Honourable senators, I welcome this proposed legislation, even at this late date, when it is like shutting the stable door after the horse has been stolen.

Some time ago I gave some facts about Canada's advancement as a nation. One thing I forgot to mention was the wastefulness shown by the federal government in its control of natural resources. Northern Saskatchewan has not today anything like the stand of spruce timber it once had. This natural resource was largely wasted or given away by the federal government before it came under provincial jurisdiction. There was no regulation as to the size of trees which could or could not be cut, with the result that many millions of feet of lumber were removed from that area and some people in Milwaukee became millionaires. Railroads were built to serve the big operators, and one of these railroads ran to Big River, where a huge sawmill was put up. The huge stands were appropriated; the smaller ones were left scattered here and there. That is how the operators conducted their business before the era of control of our natural resources.

Contrast this with the practice in Sweden, Denmark and Germany. In those countries they have, and have had for from fifty to seventy years, planned systems for the conservation of their forests. Every Swede I have talked to has been horrified at the lack in Canada of any policy of reforestation. As I understand the Swedish rule, if one tree is cut, two trees must be planted; and cutting must take place within six inches of the ground. But within a few miles of the city of Ottawa you can find huge stumps, the best part of the tree, standing three or four feet high. I talked to one Swede who has been quite successful in Saskatchewan, and

he told me that he would have been better off had he remained in Sweden, as his brothers did. He said, "I could have lived off my limit of timberland". He went on to explain how his brothers in Sweden had profited by operating in the national forests. Each farmer was allowed the revenue from so many acres of forest, but he worked under government supervision. He could not deplete the property; he had to re-plant. This policy had been so profitable that today the authorities were deriving a good revenue from their forests.

It is much to be regretted that some fifty years ago we did not adopt a policy of planning for the preservation of our forests. In the northern part of Saskatchewan there is a very large area ideally suited to the growth of timber, but good for no other purpose. No attempts were made to clear the land, as fire-guards, every six, or twenty, or one hundred miles. Consequently, fires have raged over hundreds of miles of that country. At one time there was a regulation in Saskatchewan to "limb tops and burn brush", but as far as I know it was never enforced, and when a fire occurred in that area, not only the slash and the trees but the very ground was burnt. If the coming of this bill means, even at this late date, that we are going to do something to preserve our forests, I am strongly in favour of it.

Hon. G. P. Burchill: I rise simply for the purpose of expressing my appreciation of this measure, and my thanks to the government for introducing it. I do so as a representative of the forest products industry. I can assure the honourable gentleman who introduced the legislation that the industry from one end of Canada to the other will receive it with the warmest possible approval and endorsation. One of the greatest difficulties we have encountered in our work, either as members of an industrial association, or of the Canadian Forestry Association—which, honourable members realize, has done a wonderful work educationally in bringing to the Canadian people a realization of the importance of supervising and preserving our forests— has been the conflict of authority between the provinces and the dominion, and the difficulty of getting the representatives of the two jurisdictions together for the purpose of pursuing a grand forestry supervision program, national in scope.

The introduction of the bill has made this a very happy day for me, for it means that we have made, at least, a start, and, I believe, a start in the right direction. In my judgment no measure of greater importance than this has been introduced in parliament during the present session. It is so important and far-reaching that I regret that it was found necessary to delay it until this late date, for I know that many of us would have liked to have gone a little more deeply into its provisions. We cannot do anything about this now, except to say that we heartily approve of the measure and hope it will bring forth blessings for this land.

A large proportion of our population of every class is dependent upon our forests, and it is difficult to realize that Canada has lost more timber through fire and insect pests than has ever been cut by the axe during the long history of the lumbering industry of this nation. This should indicate something of the tremendous possibilities that can result from preserving our forest lands by the fighting of fires and the destroying of insect pests. Honourable senators, I want to say that I welcome this measure most heartily.

Hon. Mr. Reid: May I ask the honourable senator who sponsored this legislation (Hon. Mr. MacKinnon), if he knows whether the government intends to carry on any reforestation of dominion Crown lands under this Act? If so, has he any information as to whether the government will set up nurseries, or will co-operate in carrying out the work of provincial nurseries already in existence?

Hon. Mr. MacKinnon: I am not in a position to reply in detail to the question just asked by the honourable senator from New Westminster (Hon. Mr. Reid); but the measure will give authority to the dominion government to carry on a program of that nature. It will also empower the dominion government to co-operate with the provincial governments in carrying on this kind of work.

I was most thankful to hear the remarks of the honourable senator from Northumberland (Hon. Mr. Burchill), because it was in his province that I saw this work being done in a successful way.

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.

LUMBER INDUSTRY OF THE MARITIMES

INQUIRY AND DISCUSSION

On the Order:

Resuming the adjourned debate on the inquiry of the Honourable Senator Burchill that he will call the attention of the Senate to the condition of the lumber industry in the Maritime Provinces and will inquire of the government if they are aware that a recent inquiry from the United Kingdom for 50,000

standards is restricted to offers from producers in Western Canada and the northwestern United States.

Hon. Wishart McL. Robertson: Honourable senators, I am happy to have the opportunity of making a brief reply to the inquiry which my honourable friend from Northumberland (Hon. Mr. Burchill) brought before this house in such a detailed and interesting fashion.

I may say that no one is better qualified to bring this subject to our attention than is the honourable senator from Northumberland. The interest that he has taken in the welfare of the lumbering industry has long been a characteristic of his activities. What my honourable friend says about the value of the Maritime lumbering industry applies largely to Nova Scotia, New Brunswick and a portion of eastern Quebec. He has pointed out that for many years the United Kingdom market for long lumber has been a valuable market for the product of the area that I have referred to.

In the years just before the outbreak of war the annual export of lumber to the United Kingdom from that area was approximately 250 million board feet. During the war and up to 1947 exports increased, and in 1947 amounted to 320 million feet. But in the next year, 1948, they declined to 60 million feet. It is hoped that this year we shall ship to the United Kingdom approximately 130 million feet—roughly twice the 1948 quantity but only half the pre-war average.

As my honourable friend from Northumberland (Hon. Mr. Burchill) pointed out, there has been a change in the method of indicating United Kingdom requirements for Eastern Canadian lumber. Prior to the war it was the general practice for United Kingdom buyers to intimate in the fall of every year what their requirements would be for the coming year; but last year there was a change from that pre-war pattern and the requirements were not made known until much later. So not only is the industry confronted with a reduction in demand from the United Kingdom, but it is not able to lay its plans as early as formerly for meeting the demand. In the present year it was not known until the end of February that the United Kingdom would purchase 90 million board feet in 1949, and it was even later before an intimation was received that the requirements would be increased to approximately 130 million board feet.

The problem of course arises out of the United Kingdom's shortage of dollars and its dependence to some degree upon the E.C.A. for financial assistance. So far as I am aware, there is no lack of willingness to buy. Our prices are competitive, though perhaps less so since the recent devaluation of the pound. Undoubtedly United Kingdom requirements of all kinds from the dollar area will be carefully considered and screened by the E.C.A., which is providing so much financial assistance. I would point out that there are three possible sources of payment: money paid for goods sold us by the United Kingdom, money provided by our own loans, and money received through E.C.A. assistance. And while I have no definite information on the subject, I do not doubt that the whole program of United Kingdom importations from the dollar area, including both Canada and the United States, is subject to careful screening. In his inquiry my honourable friend from Northumberland pointed out that there was a recent inquiry from the United Kingdom for 50,000 standards from the West Coast. That at least indicates that the United Kingdom is not disregarding this area as a source of supply for at least a part of its lumber requirements. The inquiry contemplated delivery in the first six months of 1950, and also, I understand, it contained a clause that on the buyer's option delivery might be taken in the first three months. It is hoped that this indicates a staggered program of importations, and that the 1949 pattern of East Coast exports will be followed in the latter part of 1950. The Department of Trade and Commerce is constantly pressing on the United Kingdom the advantage of making known its requirements at the earliest possible date, but we cannot be sure at the moment that a decision will be made in an earlier month this year than last year. I can only say that the department feels reasonably optimistic as to the immediate future.

I regret that at the moment I cannot say anything more definite than that, but I would point out that at present the United States market is strong and prospects for 1950 are good. The Canadian exports of lumber to the United States—I am speaking now of exports from all parts of Canada, for I have no figures as to Eastern Canada alone—are approximately 475 million board feet a year. In 1948, as a result of good demand and also of decreased exports to the United Kingdom—which probably made more lumber available for the United States market—the exports to the United States increased to 730 million board feet. During the first nine months of this year there was a decline, through lessened United States demand. It is probable also that increased exports to the United Kingdom reduced the amount of lumber available for shipment to the United States. The figures I have given are for the first nine months of the year, but I am advised that the American market is much better now. I would point out that the devaluation of the dollar gives our producers an advantage on the United States market.

I feel that our producers in the Maritime Provinces are bound to give more attention to the United States market in future, and many of them are preparing to do so. As my honourable friend from Northumberland knows, the United States trade calls for more manufacture and processing than do many of the United Kingdom markets. Exporters face changing conditions, and it is almost inevitable that some consideration will be given to these factors.

Eastern Canadian spruce has been sold for a long time on the United Kingdom markets, particularly in the Liverpool and Bristol Channel areas, and I believe that when normal conditions return the United Kingdom will continue to buy this lumber. However, competition is bound to be keen and our costs have gone up. It is difficult, and indeed it would be undesirable, for the lumber industry in Eastern Canada to return to the pre-war standard of wages, and the only answer I can see to the industry's problems is a greater return for its products, through better manufacture and more careful grading. The honourable gentleman from Northumberland (Hon. Mr. Burchill) has long urged upon the industry the desirability of this course, and under his excellent leadership much progress has been made. If as a result of the difficult times now faced by the industry this program is given further impetus, it will be one bright spot in what is otherwise a very trying situation.

Hon. Mr. Reid: Would the honourable leader permit me to ask a question? Are the British buying lumber and other goods from this country apart from dollar control and apart from the private buying such as was done prior to the outbreak of war? In my opinion, if they are it would be interesting indeed to find out the prices being paid to Canadian producers and the prices charged for the goods when sold in Britain.

Hon. Mr. Robertson: My understanding is that the purchase of lumber in Canada, on both the West Coast and the East Coast, is done entirely through government buyers. There is no private buying at all.

Hon. Mr. Reid: I know that during the war British concerns bought articles in Canada and sold them to the British people at increased prices. If that matter were looked into, it might be an important factor governing our trade.

HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS

MOTION

Hon. Mr. Robertson: Honourable senators, before the item on the Order Paper relating to Human Rights and Fundamental Freedoms is called, I may say that I have consulted both the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) and the honourable senator from Kennebec (Hon. Mr. Vaillancourt), who were to proceed with this item, and they have agreed to allow it to stand for the present to permit a continuation of the hearing on the Income Tax Bill before the Standing Committee on Banking and Commerce.

I would now move that the house adjourn during pleasure, and if time permits after the committee has completed its deliberations, we will carry on with the business on the order paper.

The motion was agreed to.

BUSINESS OF THE SENATE

Hon. Mr. Moraud: May I ask the government leader if there is any more legislation to come from the other place?

Hon. Mr. Robertson: I know of nothing except the supply bill, which, as my honourable friend knows, comes at the last moment of the session.

The Senate adjourned during pleasure.

The sitting was resumed.

INCOME TAX AND INCOME WAR TAX BILL

REPORT OF COMMITTEE

Hon. J. G. Fogo presented the report of the Standing Committee on Banking and Commerce on Bill 176, an Act to amend the Income Tax Act and the Income War Tax Act.

He said: Honourable senators, the committee have, in obedience to the order of reference of December 7, 1949, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

The Hon. the Speaker: Honourable senators, when shall this 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.

DIPLOMATIC AND TRADE RELATIONS WITH ISRAEL—CLAIMS AGAINST CZECHOSLOVAKIA

INQUIRIES

On the Inquiries by the Hon. Mr. Roebuck:

1. Has Canada established an embassy in the new state of Israel? Has Canada appointed an ambassador, or consular representative to Israel, and, if not, why not; or is such in contemplation for early action?

2. What is the amount in dollars of Canada's exports to and imports from Israel for the last year for which the information is available?

3. Has Canada opened an office of the Canadian Department of Trade and Commerce in Israel, and has Canada appointed a trade commissioner, or other such official to Israel?

4. How many immigrants to Canada have been admitted from Israel for the last year for which figures are available?

5. Has Canada opened a branch office of its Department of Immigration in Israel, and has Canada immigration officials in Israel?

6. Has Israel appointed an ambassador, consular officials, trade or immigration officials to Canada, and has she opened an embassy or consular office in Canada?

No. 2

(1) Re: Czechoslovakia

1. Is the government aware that the Government of the United Kingdom of Great Britain and Northern Ireland has entered into an agreement dated the 28th of September, 1949, with the Czechoslovak Republic regarding compensation for British property, rights and interests affected by Czechoslovak measures of nationalization, expropriation and dispossession in accordance with which the Czechoslovak Government will pay to the Government of the United Kingdom the sum of eight million pounds sterling, in settlement of the claims of British nationals?

2. Has the Canadian government entered into a similar agreement, or is a similar agreement in contemplation, with the Czechoslovak Republic regarding compensation for similar claims of Canadian nationals?

Hon. W. McL. Robertson: I am tabling replies to the inquiries of the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck). I have already handed the honourable gentleman copies of these replies.

Hon. Mr. Roebuck: Thank you.

NATIONAL DEFENCE BILL

THIRD READING

Hon. Mr. Robertson moved the third reading of Bill J-5 (as amended), an Act respecting National Defence.

He said: I should like to refer to the fact that the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) suggested that when this order was called he would like to move that the house go into Committee of the Whole on the bill in order to consider certain amendments. If that is still the wish of the honourable gentleman, I shall have no particular objection, but I might point out to him that although we have completed our work in connection with this bill, it is not intended to proceed with it in the other house, so that automatically it will die and will have to be re-introduced next session. Under these circumstances, unless the honourable gentleman is keenly anxious to proceed at this time, he may consent to withdraw his suggestion, and, if he so wishes, bring it forward again when the bill comes before us next session.

Hon. Mr. Roebuck: Honourable senators, of course there is no real reason for going on now, and I accept the suggestion of the leader of the government (Hon. Mr. Robertson), and shall not move the house into Committee of the Whole on this measure.

I think it may be worth while, however, to say that what I had in mind was the Court Martial Appeal Board which is to be set up by the bill. The right of appeal from that board to the Supreme Court of Canada is provided for, but only if there is dissent in the Court Martial Appeal Board and if the appeal is approved by the Attorney-General of Canada. So there are two hurdles to jump. I intended to point out that under those circumstances the right of appeal is an illusory one and without any element of reality. I intended to move to strike out the words "dissent in the Court Martial Appeal Board", so as to permit of an appeal whenever it shall be approved by the Attorney-General of Canada.

Another section which I find objectionable is the one which makes it a criminal offence for anyone to assist, harbour or conceal an officer or man who is a deserter or absentee, and which places on the individual so charged the obligation of proving to the court that he did not know that the man was a deserter or absentee. This is going very much further than the law has ever gone before. It differs in this respect from the Criminal Code, which requires that knowledge must be shown. I think that a provision is too drastic which makes a deserter or a man who is absent without leave a pariah against whom every man's hand is set, and which penalizes the person who may chance to aid him—not to desert or to remain a deserter, but in any way at all.

I have mentioned the two subjects I had in mind because I hope that when this bill again comes before us these will have been reconsidered and will not appear in the measure then to be presented to us.

I agree that there is nothing to be gained now by going into committee, and I have served my full purpose in making this explanation.

Hon. Mr. Horner: Is this the general National Defence Bill?

Hon. Mr. Hayden: Yes.

Hon. Mr. Horner: The one in which money is voted for the services?

Hon. Mr. Robertson: No. It is the consolidation of the three Acts relating to the services.

The motion was agreed to, and the bill as amended was read the third time, and passed.

HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS

MOTION

The Senate resumed from Monday, December 5, the adjourned debate on the motion of Honourable Mr. Roebuck, that the government be requested to submit to the forthcoming Dominion-Provincial Conference on the Constitution a draft amendment to the British North America Act.

Hon. Cyrille Vaillancourt: Honourable senators, I had not intended to speak on this resolution relating to human rights and fundamental freedoms, but after hearing the speech delivered by our colleague from Kingston (Hon. Mr. Davies) I thought that for my own satisfaction I should make my views on this question quite clear. Whether we like it or not, human rights and fundamental freedoms were determined before our time and they are beyond our scope. If I am entitled to life, it is because my father and my mother gave me this life; and if I want to go back to the beginning of the ages, I must admit that there is a God who one day gave life to the first human being.

Our colleague stated the other day that under this principle of freedom, a human being, if he so wished, was entitled to be an atheist. It is quite true that by abusing my right and my freedom, I can kill my neighbour, or that if I so desire, I have the right to say that two and two make five. But if I act in such a way, I wonder what opinion reasonable people will have about me. Is it not true that freedom and human rights are least respected in countries where the existence of God is denied, and where atheism flourishes? In order for me to enjoy freedom, there must be order and common sense.

As far as censorship is concerned, I maintain—on the principle that a person would seek help from a physician whom he trusts—that the censorship must be headed by a competent and well-qualified person. Reading material constitutes the food of the mind, and, as with any other food, one must be careful about what he eats and the way he eats. If we conform to the advice of our physician we have a better chance of maintaining our health. As far as reading material is concerned, especially that which affects youth, we definitely need censorship. I am always afraid when I see a child playing with fire: he can burn himself and also set fire to the house.

To sum up, the rights I enjoy have been received by me from other people, who gave me life. If I enjoy rights, I also have duties, for the rights of mankind imply corresponding duties. Freedom does not mean disorder and anarchy; my freedom ends where my neighbour's freedom begins. Freedom of association does not mean that bandits, gangsters and thieves are free to unite in order to slaughter honest citizens. Rights and freedoms can be applied fully only in countries whose citizens abide by their conscience, notwithstanding Mr. Chisholm's opinions, a clear conscience will always be the best guide to freedom and human rights.

Some Hon. Senators: Hear, hear.

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

BUSINESS OF THE SENATE

Hon. Mr. Robertson: Honourable senators, our Order Paper, in so far as it relates to government business, is now cleared. The Supply Bill will come to us in due course, and the honourable gentleman opposite (Hon. Mr. Horner), will then have ample opportunity to discuss national defence or any other subject, if he so desires.

Hon. Mr. Horner: Thank you.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Friday, December 9, 1949.

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

Prayers and routine proceedings.

HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS

MOTION WITHDRAWN

The Senate resumed from yesterday the adjourned debate on the motion of Honourable Mr. Roebuck, that the government be requested to submit to the forthcoming Dominion-Provincial Conference on the Constitution a draft amendment to the British North America Act.

Hon. Arthur W. Roebuck: Honourable senators, it is my right and duty to close the debate on the resolution respecting Human Rights and Fundamental Freedoms, which I had the honour to move in this chamber on November 3 last. I counted it then, as I do now, a great privilege to be associated, in even the humblest capacity, with the noble sentiments and high resolve expressed in the declaration which forms the main substance of my motion. Though there has been some difference of opinion among the members of the chamber with regard to the practical steps which I proposed, every honourable senator who spoke on this motion concurred in its general principles and commended the effort to promote their observance.

For the many kind references that have been made by so many of the speakers, I am truly grateful. To the senator from Queens-Lunenburg (Hon. Mr. Kinley) I tender my thanks for having seconded the motion. Although he expressed some doubts, and suggested a need of further information, his remarks were not in any way a criticism of the general trend towards greater freedom and security. To the senator from Cariboo (Hon. Mr. Turgeon), whom I see here this afternoon, I am grateful for having recorded in *Hansard* the statement made by the Canadian delegation of the attitude of the Canadian Government towards the draft Declaration of Human Rights when, in December 1948, Canada voted in the General Assembly of the United Nations for its acceptance. As I said on a previous occasion, the declaration then referred to is practically identical with the substance of my motion.

Let me draw attention to two or three sentences of Canada's statement:

> We regard this document as one inspired by the highest ideals; as one which contains a statement of a number of noble principles and aspirations of very great significance which the people of the world will endeavour to fulfil.

And again:

> Canadians believe in these rights and practise them in their communities. In order that there may be no misinterpretation of our position on this subject, therefore, the Canadian delegation, having made its position clear in the committee, will, in accordance with the understanding I have expressed, now vote in favour of the resolution in the hope that it will mark a milestone in humanity's upward march.

It seems to me regrettable that the honourable senator from Cariboo was not able to sweep away, as did the Canadian delegation at Lake Success, the mere technical difficulties that stood in the way, and vote for the resolution now before the house, or announce his support of it in the hope that the resolution, after a sufficient degree of study and in due course of time, will "mark a milestone in humanity's upward march." The honourable gentleman said this:

> Canada generally is in definite agreement with the aspirations contained in the declaration, and I am sure all provinces as well as the federal authority, will do everything humanly possible to improve present conditions.

In view of these sentiments I find it difficult to understand the honourable senator's objection to submitting principles of this high order to the dominion and provincial delegations, since he has confidence that they will accept such principles. But of course I respect his judgment in that regard, and I assure him that I will not put him in the position of voting against these "noble principles and aspirations" for any secondary reason—and I say the same thing to all other members of this house.

I should like to pay the tribute that I really feel is due to the honourable senator from Peterborough (Hon. Mrs. Fallis) for the eloquence with which she charmed this house in her discourse on this motion. The lofty loveliness of her thought and presence threw a spell across the chamber which I shall not soon forget. To the honourable senator from Peterborough I say, "Thank you."

In a somewhat different way, I am equally grateful to the honourable senator from De Salaberry (Hon. Mr. Gouin). He too surrendered to the practical difficulties which confront this resolution, but in doing so he gave to this house a judgment matured during two years' service as Chairman of the Joint Committee of Parliament on Human Rights and Fundamental Freedoms. As I recall his remarks, the honourable senator felt that we should confine our activities to our own dominion jurisdiction, and that our first step should be a declaration of some fundamental principles upon which we can all agree. Then he made the following statement, which I submit is well worthy of repetition:

> We should proclaim the right to freedom of conscience, the right to personal freedom and security, the right to freedom from arbitrary imprisonment

and to a fair trial, the right to free expression and to free association. We should proclaim the equality of all before the law. We should also declare that everyone has an equal right of access to the public service in our country. Finally, we should add that all human rights and fundamental freedoms belong to every person without distinction of any kind, such as race, colour, sex, language, religious belief or political opinion.

I need not say to my fellow senators that with those sentiments I heartily agree. If those principles were enunciated and made clear and effective in our law, there would not be very much left to my resolution. To my honourable friend from De Salaberry I should like to say that far be it from me to oppose his desire, that we make it clear in such a declaration that the equality of right of our mankind is consequent upon the fact that we are all children of the same Creator.

Some Hon. Senators: Hear, hear.

Hon. Mr. Roebuck: I am sorry that the honourable senator from New Westminster (Hon. Mr. Reid) is not here. He said that we could "dispense with any suspicion that any member of this house is opposed to the principles or ideals outlined in the resolution". I would assure him that I entertain not the slightest particle of such a suspicion as to any honourable senator, including himself; but I will say to him that when he essays to be "realistic and practical", as distinguished from "academic and idealistic", he is altogether out of character. Idealism has been a characteristic of all the great leaders of the hardy race from which he is so proud to have sprung—from William Wallace and Robert Bruce to Bobbie Burns and the senator himself from New Westminster. I would far rather have heard the honourable gentleman make a speech on the ideals rather than on the dull technicalities of the resolution.

The honourable senator from New Westminster (Hon. Mr. Reid) says I am premature in striking this blow for human rights and freedom. Well, I do not know that very much is to be gained by discussing this point. I will admit it. But the same thing could be said of the great advocates of freedom in the past; they were all premature. Moses was certainly premature when he presented, in stone, the fundamentals of social morality. Of course he was away ahead of his times. The barons at Runnymede were certainly premature in the action which they took. So were the Pilgrim Fathers, and the drafters of the Declaration of Independence. Yes, and I might almost say that the Fathers of our own Confederation also were premature. So if I am premature in moving this resolution at this time, I am in very good company. At all events, my proposals are neither "too little nor too late".

In my judgment the honourable senator from New Westminster over-emphasized his objections, for he opened his speech with an acceptance, which I have in part quoted, of the principles of human rights and fundamental freedoms, and he closed with an acknowledgment that I had carried out the wish of the United Nations in publicizing the text of the resolution and calling attention to it. For that last remark particularly, and for a good deal else besides, I thank him.

I am sorry that the honourable senator from Charlotte (Hon. Mr. Doone) is not present at the moment, for although I have already expressed my thanks to him I should like to thank him again for the forceful and inspiring address which he gave to us on this subject, an address reminiscent of the classic oratory of Burke and Sheridan in the House of Commons of England. The Senate, in my judgment, is richer for the ideals which the honourable member from Charlotte expressed.

The honourable gentleman from Kingston (Hon. Mr. Davies) attempted to analyse the resolution in detail. Honourable senators will observe that I have carefully avoided any detailed or particular analysis of the statements in the resolution. I thought it would be premature to do that, and I confined my remarks to the general principles involved, leaving to a committee of our own house, or to some other body, the task of examining the phraseology to see that it carries out what we have in mind. First let us have thoroughly in mind what we desire and where we are going. I of course sympathize with the honourable gentleman's aversion to censorship, for I have always felt irked and annoyed to think that any policeman can tell me what I may read. At the same time, I suppose that at times censorship is necessary.

In reply to the very earnest words spoken in this chamber last night by the honourable senator from Kennebec (Hon. Mr. Vaillancourt), let me say that true freedom is never licence and that the liberty of each individual is necessarily limited by the equal freedom of everyone else. Men in modern times live in communities, and no one has the right to live and act as if he was in the world alone. He who desires to preserve his own freedom, perhaps to widen it, should respect the rights of others. It seems to be a law of nature that men best defend and widen their own freedoms by struggling for the rights, safety and welfare of others. Freedom is not divisible; it is a communal matter. I emphasize the assertion, that men best defend their own rights by struggling for the freedom of others, as we are now doing in this house.

The resolution has attracted wide notice and provoked much comment outside the

Senate, and I have here some letters from which, with the indulgence of the house, I should like to quote.

Mr. Irving Himel, Secretary of the Committee on Human Rights has written me as follows:

We have heard from both the Civil Liberties Association of Manitoba, and the Canadian Civil Liberties Union, Vancouver Branch. They write to say that their executive has met and endorsed your resolution.

In a letter bearing the letterhead of the Toronto Jewish Youth Council, the secretary writes:

I am public relations chairman of the Toronto Jewish Youth Council, which represents over 5,000 Jewish youth in Toronto. At a recent Ontario Jewish Youth Conference held in Toronto, November 5 and 6, there were over a hundred delegates from all parts of Ontario, from Sudbury to Windsor, representing well over 10,000 Jewish youth.

A resolution passed by the Council is as follows:

Resolved that we urge the federal government of Canada to pass a Bill of Rights outlawing racial and religious discrimination.

Mr. Frederick W. Boorer of the Christian Science Committee on Publication for Ontario, which represents all the churches of that denomination, says:

I was pleased to read the report of your motion in the Senate calling for submission to the Dominion-Provincial Conference to be held in January of a "Canadian Bill of Human Rights and Fundamental Freedoms."

Particularly are we interested in Article 15 pertaining to freedom of thought, conscience and religion, and more specifically the very important point you have made in not only guaranteeing one's freedom to believe in his own individual form of worship, but also to practice it.

The Association for Civil Liberties (Toronto), over the signature of Reverend Dr. R. S. K. Seeley, expresses its support as follows:

We wish to assure you of our wholehearted support.

And adds further:

The Civil Liberties Association includes in its membership a large number of citizens of various political opinions and representing many phases of Canadian life. We believe that a very large body of right-thinking citizens will strongly favour the introduction of such an amendment.

Mr. J. Munz of the First Unitarian Church offers this support:

I am a member of the Social Action Committee of the First Unitarian Congregation in Toronto. We intend, after reading your Bill, to ask the congregation to pass a resolution in support for your request made that the Bill of Human Rights be added to the Canadian Constitution.

Mr. M. F. McCrimmon, convener of the Civil Liberties Committee of the Co-ordinating Committee of Canadian Youth Groups, writes:

The Civil Liberties Committee of the Co-ordinating Committee of Canadian Youth Groups is concerned to promote the adoption of a Canadian bill of Rights.

George Tanaka, National Executive Secretary of the National Japanese Canadian Citizens Association, sends the following wire:

The National Japanese Canadian Citizens Association which fully represents the Canadian citizens of Japanese ancestry desires to lend its full support to your action for B.N.A. amendment for a Canadian Bill of Human Rights and Fundamental Freedoms. The following stated resolution of the organization was adopted at its national conference held in Lethbridge, Alberta, on November 7:

"Whereas considerable public interest and attention has been created in various legislative means by which truer equality of status may be assured to all Canadian citizens, regardless of racial origin, thus strengthening the quality and meaning of democratic Canadian citizenship, therefore be it resolved that this third national conference of the National Japanese Canadian Citizens Association express itself as being solidly in favour in principle of Dominion and Provincial Bills of Rights."

The last letter of a general character to which I wish to refer is from the Ontario Federation of Labour, over the signatures of Joseph MacKenzie, President, George Burt, Vice-President, S. S. Hughes, Vice-President, and Cleve Kidd, Secretary-Treasurer. It reads in part as follows:

The Ontario Federation of Labour (Canadian Congress of Labour) representing approximately 150,000 trade unionists in the province of Ontario, for some time has recognized the need for a Canadian Bill of Rights.

We therefore greet with enthusiasm the motion introduced into the Senate on October 27 by yourself to amend the British North America Act to incorporate a "Canadian Bill of Human Rights and Fundamental Freedoms".

The publicity which this resolution received in the press, all over Canada, is so voluminous that, if I would, I could not quote it all. Perhaps it is worth while to read an excerpt from an editorial written by Mr. B. K. Sandwell, editor of *Saturday Night*, one of the most progressive, persistent and faithful advocates of human rights. Here is what he says:

The extent and very serious discussion of it by the upper house, have not been without a great deal of value. For one thing the motion has elicited strong expressions of approval from labour organizations and other elements of the public, extending far beyond the intelligentsia which has until now provided the chief support for the Bill of Rights idea. To the principle, indeed, there has been practically no objection; criticism has been confined to the method of putting it in operation and the opportuneness of the occasion which Mr. Roebuck sought to utilize.

And finally:

Throughout the debate there has been practically no expression of hostility to the basic idea of a Bill of Rights as an eventual part of the fundamental law of the land. That is a notable piece of progress.

I must now turn to the remarks made early in the debate by the honourable senator from Shelburne (Hon. Mr. Robertson), who leads this house and who speaks for the government. I may say that I was pleased greatly by the welcome which he extended to the

general substance of my motion, though of course, he dashed my hopes that the Bill of Rights would be accepted by the government for submission to the forthcoming Dominion-Provincial Conference. He said that the subject was not raised in the letter of invitation written by the Prime Minister to the premiers of the various provinces. If that were the sole objection, I think I would reply to him, "Why not write another letter? The postal rates are not excessive?" But the honourable leader gave other and more substantial reasons. I think I can summarize them in a sentence. He told us that if, without attempting anything further, the Dominion-Provincial Conference accomplished what it originally set out to do, we might congratulate ourselves on the progress it had made. Of course there is great force in that argument. The honourable member from Shelburne also stated that it was impossible to organize a Senate committee for the due consideration of the measure before the close of this session. That was obvious when he spoke, and of course it hardly needs mention now. But I want to quote a line or two from the honourable gentleman's statement:

> Assuming that the remission of the matter to a committee is not accompanied with a specific request that it be referred by the government to the forthcoming conference, I would have no objection to this course—

That is, referring it to a committee.

> —if it meets with the approval of the Senate.

In view of circumstances as they actually exist—with the encouragement which has been extended by the leader and others to the consideration of these broad general principles of human rights and fundamental freedoms, and the leader's lack of any objection to the reference of the matter to a Senate committee—I now move to withdraw this motion; but I do so on the distinct understanding that I will remove it, no doubt in some other form, to suit the circumstances.

Hon. Mr. DuTremblay: I should like to say a few words on this motion before the honourable senator withdraws it.

The Hon. the Speaker: I must inform the honourable senator from Repentigny (Hon. Mr. DuTremblay) that the mover of the resolution, in speaking at this time, is closing the debate.

Hon. Mr. Roebuck: I should have liked very much to have heard what the honourable senator has in his mind, but of course I cannot set aside the rules. I recall to honourable senators that this debate has been kept open until today by constant adjournment from the 3rd of November, and I have urged everyone to whom I spoke about it to enter the debate, irrespective of the position he might take with regard to the subject.

I was saying that two months from now, or thereabouts, when we re-assemble, I shall re-initiate this measure, and shall ask that it be referred to a committee for consideration, the hearing of evidence and the making of a report; and I feel confident that I shall not be disappointed by the Senate.

Although the present resolution has not achieved its immediate objective, I am not at all discouraged. On the contrary honourable senators, I am well pleased with the consideration which the subject of my motion has received, both in this house and outside it, and I look forward to still greater achievements in the session of parliament which will assemble after the new year.

May I close this most inspiring debate with a word as to the high purpose which we serve when we seek to preserve and extend the rights and freedom of our fellow men. The philosophy of freedom influences the minds and the actions of every individual; it also has a marvellous effect upon the nation of which everyone of those individuals forms a part. Mankind is a delicate plant, which grows and develops, blossoms and bears fruit in freedom, but which in bondage withers and dies. So do races, so do nations. Shakespeare was the product of a free and vigorous Elizabethan England; Machiavelli, on the other hand, was the product of tyrannical Florence. All the great works of art, literature, religion and statesmanship have been conceived and carried out in freedom. Through all ages men have loved freedom and have fought and died in its cause. It has not been given to any of us here to make the supreme sacrifice for freedom which has been offered by so many of our relatives, our associates and our friends; but it is given to us to occupy positions of opportunity, of influence and importance in which we may render signal service to the cause in which they fell, and thus take our places beside the great men of the past, whom we honour because they worked and struggled and fought for freedom. We have little reverence for the conquerors who crushed the bodies and lives of men. A great opportunity is before us to apply our minds to this general proposal, and, perhaps, to be remembered by future generations for the contribution that we in this Senate will have made to this great cause.

The motion was withdrawn.

BUSINESS OF THE SENATE

On the motion to adjourn:

Hon. Wishart McL. Robertson: Honourable senators, in moving the adjournment

of the house I should like to take advantage of the opportunity to say a few words about the present session.

I wish to thank personally the members of the Senate generally for the co-operation and courtesy which I have experienced at their hands, and particularly want to thank the individual senators who have assisted me in presenting legislation to this house for consideration. I feel that exceedingly creditable work has been done in this respect. I may say that I should be quite ready to increase the numbers of those honourable senators who assist in presenting legislation to this house, if individual members would indicate to me their willingness to participate in this work.

I want to thank the members of our various standing committees for the careful and thorough manner in which they have considered legislation that has been referred to them. While all our committees have creditably discharged the responsibilities assigned to them, circumstances have decreed that most of the work should be done by the Committees on Banking and Commerce and the Committee on Divorce.

These facts would indicate the responsibility of the Committee of Selection, which at the beginning of each session recommends to the Senate the names of the senators who are to comprise the membership of the various committees. Therefore I would ask now that at the beginning of the next session the Committee of Selection give special consideration to the membership of the two standing committees I have mentioned. In the case of the Committee on Banking and Commerce, I believe that past attendance records should be taken into consideration, so that, as far as possible the membership of that committee should be comprised of those who can and will attend its sessions. Consideration should be given also to increasing the membership of the Divorce Committee, so that the arduous duties which its members perform will not fall on the shoulders of so few. Further, the desirability of nominating to that committee additional members from the legal profession; and I express the hope that those nominated will agree to serve. With a larger committee it should not be impossible to work out a system of rotation in the hearing of cases, so that no undue burden may be placed on any one member.

In the past the Senate has rendered a very useful service to the general public through special investigations carried on by individual committees, acting on their own initiative, into matters of particular public interest. I think we might well consider carrying on work of this nature next session, though limitations of time and space may make it undesirable to undertake too many special committees. I would be quite willing that any particular subject which might be felt to be of paramount interest to senators generally should be considered by a committee. It has been intimated to me—and I have already referred to it in this house—that, because of existing world conditions, one question of great public interest is Canada's trade relations. In fact, one senator has sent to me a well-prepared specific resolution along these lines, and while I have no desire to exclude consideration of anything else which may come before honourable senators, I hope that serious thought may be given to this particular subject during the next session.

Some Hon. Senators: Hear, hear.

Hon. Mr. Robertson: Honourable senators, I intend to move that when this house adjourns, it stand adjourned until tomorrow morning at 11 o'clock. I am not optimistic enough to suggest that the Supply Bill will then be before us; but should we adjourn until a later time tomorrow it would be difficult, should the bill reach us in the interim, to summon honourable senators to the chamber. If at 11 o'clock the hopes of the optimists are not fulfilled, we will adjourn during pleasure to await the arrival of the one remaining piece of legislation to be dealt with.

The Senate adjourned until tomorrow at 11 a.m.

THE SENATE

Saturday, December 10, 1949

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers and routine proceedings.

PRIVATE BILL

FIRST READING

A message was received from the House of Commons with Bill 222, an Act to amend The Canadian Red Cross Society Act.

The bill was read the first time.

MOTION FOR SECOND READING

Hon. J. G. Turgeon moved the second reading of the bill.

He said: Honourable senators, as you know, the delay in bringing this bill before this chamber is due to the fact that it has come only this moment from the other place.

The bill contains several proposed changes.

Hon. Mr. Leger: Has this bill been distributed?

Hon. Mr. Turgeon: No, it has just this moment come from the other place. As a matter of fact, I have been informed that the bill was not distributed in the other place when it was dealt with and finally passed there yesterday evening.

I read now from section 3:

> The said Act is further amended by adding thereto the following section:
>
> 9. The name of the society in the French language shall be "La Societe canadienne de la Croix-Rouge."

According to the explanatory note, this amendment is required to sanction the use of "La Societe canadienne de la Croix-Rouge" as the name of the Canadian Red Cross Society in the French language. I have been informed that up to the present time the use of the French title, while being correct and justified, has had no legal foundation.

Hon. Mr. Leger: Will you read the amendment again?

Hon. Mr. Turgeon: It reads:

> The said act is further amended by adding thereto the following section:
>
> 9. The name of the society in the French language shall be "La Societe canadienne de la Croix-Rouge".

There are two or three other amendments. One of these is to remove the limitation which the present Act imposes upon the value of property that the Canadian Red Cross Association may hold. This is necessary, partly because of the rise in the cost of the value of land, partly because of the extension of the Canadian Red Cross Service to our new province of Newfoundland, and very largely because of the great extension of the blood transfusion and other services of the Red Cross. These are the reasons suggested for the removal of the ceiling on the value of property which the Association may hold.

Hon. Mr. Paterson: May I ask the honourable senator from Cariboo (Hon. Mr. Turgeon) what the former value was? What was the limit?

Hon. Mr. Turgeon: The present Act provides:

> The annual value of the real estate held in Canada by or in trust for the society shall not exceed one hundred thousand dollars.

Another amendment is for the purpose of giving increased representation on the central body to the various governing divisions. The present section says:

> The governing body of the society shall be a central council, consisting of not more than forty members appointed or elected in such manner as may be determined from time to time by the central council.

This has been changed to read:

> The governing body of the society shall be a central council, consisting of not more than sixty members appointed or elected in such manner as may be determined from time to time by the central council.

The number of members is increased from forty to sixty, the idea being to give the various central divisions greater representation, and, naturally, more authority.

In the main, these are the changes that are proposed to the Canadian Red Cross Society Act as it now exists.

Hon. Mr. Nicol: Can the honourable gentleman tell us what is the annual value of the society's asset?

Hon. Mr. Turgeon: I am sorry that I cannot answer that question. As a matter of fact, it is less than 20 minutes since I was asked to handle the bill, and there are many points on which I have not been able to get information. I was very happy to be given the opportunity of sponsoring the bill in the Senate, not only because of the great service that the society has long been rendering throughout this country, but particularly because of the relief work that it did after two recent floods in the province of British Columbia—one, during the present session of parliament; and the other, two years ago.

The honourable gentleman asks what is the annual value of the property held by the society. I presume it is the permissible limit of $100,000, though I do not know. I regret very much that I cannot answer the question.

Hon. Mr. Paterson: If it has been previously considered wise to have a limitation of $100,000 on the annual value of real estate which the society may hold, does the honourable gentleman feel that it would be a good thing to remove that ceiling now?

Hon. Jacob Nicol: Honourable senators, I am quite in accord with the general purpose of the bill, but, if I judge correctly, the public is not well informed as to what the society does. The amendment to legalize the use of *La Société canadienne de la Croix-Rouge* as the society's name in the French language is proper and necessary, for unless the French name is specified in the statute the English name is the only one that may be correctly used in documents or articles that, apart from the name, are written in French.

But the question just raised by the honourable gentleman from Thunder Bay (Hon. Mr. Paterson) is important. Section 1 of the bill seeks to repeal the provision in the present law which restricts the annual income of the society from its property holdings to $100,000. The property held under this limitation may of course be worth several million dollars. I believe that in the society's own interest some limitation should be maintained, in order that the public may have at least a rough idea of the value of the real estate holdings. I think the society has made a mistake in not keeping the people well informed as to its assets and its work. With other senators I recognize that lately it has been doing effective work which has caught the public eye and done much to regain public support. Nothwithstanding that, I think the proposal now before us is a mistake.

Hon. Mr. Dupuis: May I be allowed to correct the impression of the honourable gentleman? It is real estate value of not more than $100,000, and not income, to which the bill refers.

Hon. Mr. Nicol: I am grateful to the honourable senator for correcting me. The honourable senator who proposed the bill used the word "income", and as copies of the bill are not before us I took that to be the provision. I cannot see that the society's income has been $100,000 for years. I am told that its assets now exceed $10 million.

Hon. Mr. Robertson: That is real estate value.

Hon. Mr. Gouin: I call the attention of honourable senators to subsection 2 of section 5 of the Act, which reads:

> The annual value of the real estate in Canada by or in trust for the Society shall not exceed one hundred thousand dollars.

Hon. Mr. Nicol: Then my impression was correct.

Hon. Mr. Gouin: I would say that "value" and "income" are synonomous.

Hon. Mr. Horner: They are the same thing.

Hon. Mr. Turgeon: The section to be repealed, and which I thought I read, is as follows:

> The annual value of real estate held in Canada by or in trust for the Society shall not exceed one hundred thousand dollars.

If I made a mistake and used the word "income", I ask for the privilege of substituting therefor the word "value".

Hon. Mr. Leger: I do not think it makes much difference, because annual value means income.

Hon. Mr. Dupuis: I am sorry—

Hon. Mr. Leger: My friend can be as sorry as much as he wishes, but I would point out to him that the expression "annual value" means income or revenue from real estate.

Hon. Mr. Dupuis: It means the value year by year, and the bill provides that the value of the society's real estate shall not be in excess of $100,000.

Hon. Mr. Leger: It means the annual revenue from real estate shall not exceed so much. That is the meaning of the expression in all statutes.

Hon. Mr. Paterson: Honourable senators, a great many contributors to the Red Cross Society were perfectly satisfied with the disposition of funds during the war years, but have not been satisfied with their disposal in peacetime. This would appear to be a splendid opportunity to have the Red Cross officials appear before a committee and make some explanation of the disposal of the society's funds. I am told that in one campaign they went out for $6 million and collected $11 million, and on another occasion asked for $10 million and received $24 million. As I say, a great many people want a better explanation of the disposition of funds, and a proper annual report of reserves.

Hon. Mr. Turgeon: May I ask if the honourable gentleman from Thunder Bay would be satisfied if the bill carried, and at the next session of Parliament there was a full inquiry into the matters he has mentioned.

Hon. Mr. Paterson: That is quite satisfactory provided my honourable friend will undertake that there will be such an inquiry next session.

Hon. Mr. Turgeon: I will undertake to bring the matter up.

Hon. Mr. Lambert: Is it vital that this bill be passed at the present session?

Hon. Mr. Turgeon: I think so. Certainly the society believes that it is necessary. There is the change of name and Newfoundland to be considered.

Hon. Mr. Lambert: I agree with the remarks of the senator from Thunder Bay, that a committee of this chamber could very well inquire into and throw some light on the expenditures of the society. Generally speaking, I think the work of the Red Cross Society is very laudable; but I am not so certain that it is not more efficient at collecting money than it is at spending it.

Hon. Mr. Gouin: I am quite willing to vote for the bill as it is, but I think that the point made by the honourable senator from Bedford (Hon. Mr. Nicol) was well taken. The interests of the society would have been better served had they inserted a limit to the net annual value of the real estate.

Hon. Mr. Turgeon: I suggest that an inquiry next session could settle that matter definitely.

Hon. Mr. Nicol: It seems to me that if we leave the matter as it is, without a limit, it will be a long time before the society will come before us again. They could carry on for years; they do not need any money; and how can the subject come before parliament again unless there is a bill?

Hon. Mr. Turgeon: If the Senate so wishes, the bill could now go to committee.

Hon. Mr. Lambert: I suggest that the debate be suspended until this afternoon, and in the meantime the honourable senator from Cariboo can make some inquiries.

Hon. Mr. Turgeon: If that is satisfactory to the Senate, I shall be glad to do as the honourable member suggests.

Hon. Mr. Nicol: I move the adjournment of the debate.

Hon. Mr. Turgeon: That means, adjournment until later today, not necessarily to another sitting?

Hon. Mr. Robertson: That is so. Under the circumstances I suggest that the Senate adjourn during pleasure, to re-assemble at the call of the bell. The rate of progress in the other place indicates that it will not be necessary to return before 3 o'clock this afternoon. Perhaps by that time the honourable senator from Cariboo will have secured the additional information which has been asked for, and we could then proceed with the consideration of this bill and take whatever further action may be deemed desirable in the light of circumstances at that time.

The motion was agreed to, and the debate was adjourned.

The Senate adjourned during pleasure.

The sitting was resumed.

The Hon. the Speaker: Honourable senators, when the Senate adjourned during pleasure this morning there was a motion before the house for the second reading of Bill 222, intituled an Act to amend The Canadian Red Cross Society Act. The debate on the said motion was adjourned until a later stage of this sitting.

When the bill was introduced, the impression was that it was a public bill introduced by a private member. It has now been established that it is not a public bill but a private bill, and should be dealt with as such. Various rules have been suspended for the purpose of advancing legislation in the Senate, but these apply only to public bills. This being a private bill, I would call the attention of the Senate to rule 118, which states:

> Any private bill from the House of Commons for which no petition has been received by the Senate, shall be taken into consideration and reported on by the Committee on Standing Orders in like manner as a petition, after the first reading of such bill, and before its consideration by any other Standing Committee.

In order now to proceed with this bill, it will be necessary for the honourable senator who moved the second reading (Hon. Mr. Turgeon) to withdraw his motion. He may then move, with the unanimous consent of the Senate, that all rules respecting private bills be suspended in so far as they relate to Bill 222, intituled an Act to amend The Canadian Red Cross Society Act. It will then be in order for him to move the second reading of the bill, and if it is desired, it may, after being given second reading, be referred to a Standing Committee of the Senate or to a committee of the whole.

Hon. Mr. Turgeon: Honourable senators, I beg leave to withdraw my motion for the second reading of Bill 222.

The Hon. the Speaker: Honourable senators, has the honourable senator the leave of the Senate to withdraw his motion.

Some Hon. Senators: Agreed.

The motion for second reading was withdrawn.

SUSPENSION OF RULES

Hon. Mr. Turgeon moved with leave of the Senate: That all rules respecting private bills be suspended in so far as they relate to Bill 222, intituled an Act to amend the Canadian Red Cross Society Act.

He said: Honourable senators: The bill contains four sections, and at our morning sitting opposition was expressed to only the first one, which would repeal the existing provision that limits the annual value of the real estate held in Canada by or in trust for the society to $100,000. I understand that unanimous consent is required in order to pass my motion. If this is given and the bill is read a second time and referred to committee, I shall move in committee that section 1 of the bill be stricken out. Elimination of this section would mean that the society, if it wishes a widening of the limitation on the annual value of its real estate holdings, will be required to have a bill presented to parliament at another session, and—as was pointed out this morning by the honourable gentleman from Thunder Bay (Hon. Mr. Paterson)—if another bill does come before us it can be considered in committee in the usual way.

Hon. Mr. Gouin: Honourable senators, I have the honour to second the motion for suspension of the rules.

Hon. Wishart McL. Robertson: Honourable senators, I do not object to the request for unanimous consent to the waiving of rules governing private bills, but I think I should in all fairness point out that included among these rules would be No. 107, which provides:

All applications to parliament for private bill of any nature whatsoever shall be advertised by notice published in the *Canada Gazette*.

The bill was not so advertised, and if we pass the motion we waive that requirement. Because of the nature of the bill and the explanation by the sponsor (Hon. Mr. Turgeon) that he will move for the elimination of section 1, I am not objecting to the suspension of the rules, but I am bound to say that I hope this will not be regarded as a precedent. I think that every private bill presented to parliament should conform to the rules regarding publication, rules which have been carefully prepared and have a definite purpose.

Hon. Mr. Marcotte: May I ask the honourable senator from Cariboo (Hon. Mr. Turgeon), who sponsored this bill, whether any harm would be done to the Red Cross Society if consideration were postponed until the next session of Parliament? This morning the honourable gentleman said that when we reconvene in a couple of months he would undertake to bring up the subject, so that it could be referred to a committee of the house. Nobody has contributed more service to this country than the Red Cross Society, and I would be the last man to oppose any measure of assistance to it. But the honourable leader of the government has just expressed the hope that our present procedure will not create a precedent. If no harm will result, why should we not postpone the consideration of the bill to the next session?

Hon. Mr. Turgeon: I may say that since we adjourned this morning I asked that same question, and was told that the society is most anxious that the provisions relating to membership in the Central Council—which affects Newfoundland—and to the French version of the name of the Society, be left in the bill. Of course the society is interested also in the passage of the subsection dealing with land values. I took the liberty of pointing out to the society representatives, the opposition which had been expressed, and my undertaking to the honourable senator from Thunder Bay (Hon. Mr. Paterson) to move at the next session that the subject matter of the bill be considered before a committee.

If the section dealing with land values fails to pass, I feel that the bill will be before us next session, and will then comply with the rules of this honourable body.

I wish to acknowledge the courtesy of the leader of the government in consenting to the consideration of this bill, but I would call the attention of the house to the fact that this bill is no ordinary private bill, initiated in the Senate, but one which comes to us after passing through the other house. I would much appreciate unanimous agreement to consider the measure now.

Hon. Mr. Golding: May I ask the honourable senator if the society gave any reason for bringing this measure before the house at such a late date? Surely it knows of the parliamentary rules and regulations governing such matters.

Hon. Mr. Turgeon: I have already mentioned, I think, that I knew nothing about the matter until a quarter to eleven this morning. I did some long-distance telephoning and learned that the Society particularly wanted the passage of the sections dealing with land values and the French name of the Society. There is the further section of the bill relating to the Central Council and Executive Committee. That will be important to them because of the extension of their work. I did not ask why they had waited so long: I do not know how long this bill was before the other house; as the honourable the Speaker has pointed out, it came before us somewhat in the guise of a public rather than a private bill.

Hon. Mr. Nicol: Speaking on the motion for suspension of the rules, I must express my opinion that if there is any legislation in respect of which the rules should be observed, it is a bill of this kind. A very large number of people all over the country are interested in this society, and the public in general

should have been notified that the bill was being brought forward. But, as the leader of the government has just stated, no kind of notice was given. From one end of the country to the other the public has responded very generously to appeals to subscribe to the Canadian Red Cross Society. We are now called upon to amend certain of the society's powers entirely, without the participation of the public, unless it may be said that we represent the public. As a rule, when a private bill is submitted, the public has the right to be represented; and although there have been many instances in another place where a suspension of rules similar to that now requested has been granted, someone representing the public has been present to concur in the suspension. It might be well to postpone action and give notice through the press of what we are doing, and that the bill will be taken up again at a specified date, when representations from the public would be received.

I do not wish to delay the house or to do anything which might be obnoxious to those who are sponsoring the bill, so I am prepared to consent to a suspension of the rules, but I am opposed to section 2. From what has been said here I gather that that clause, which changes the mode of governing the society, is regarded as important. Who is interested in this amendment? The public. Yet we are asked to allow those who now govern the society to alter its constitution in such a way as to confer upon themselves authority to continue in office. If the society desires this amendment, it should notify the public of what it is doing, and should secure not only our ratification but the approval of public opinion, without which no society can efficiently operate.

The Hon. the Speaker: The question is on the motion of the honourable Senator Turgeon:

That all rules respecting private bills be suspended in so far as they relate to the Bill 222, an Act to amend The Canadian Red Cross Society Act.

I must again warn this honourable house that consent must be unanimous. Is it your pleasure to adopt the motion?

The motion was agreed to, and the rules were suspended.

SECOND READING

Hon. Mr. Turgeon moved the second reading of the bill.

He said: Honourable senators, I took some time this morning to explain the bill and the objects of the proposed amendments. I shall not repeat the explanation. If in its wisdom the Senate sees fit to give second reading to the bill, I shall move that it be referred to the Committee of the Whole. Then I shall move for the elimination of the section dealing with the annual value of the real estate which may be held by the Association, and honourable senators may deal with my proposal as they see fit. Once again I want to thank honourable senators for the kind and courteous manner in which they have dealt with this legislation.

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

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Turgeon, the Senate went in committee on the bill.

Hon. Mr. Fogo in the Chair.

On section 1—repeal of subsection 2 of section 5:

Hon. Mr. Turgeon: Mr. Chairman, I move that clause 1 of the bill be struck out.

Hon. Mr. Gouin: I second the motion.

The section was rejected.

On section 2—central council; executive committee; quorum:

Hon. Mr. Nicol: Honourable senators, this section would enable the central council to enlarge the number of its members and change the society's constitution without further reference to parliament in future. I think this would be against public interest. I would have approved of an amendment to section 1 so as to permit the society to hold real estate up to an annual value of $200,000, but I think section 2 should be stricken out. I do not wish to appear unkind to the Canadian Red Cross Society, for we all know of the good work it has done, and I think I am not being unfair when I say that the public is dissatisfied because it has not been given the information to which it is entitled.

The introduction of the bill at this late hour, without notice, indicates to my mind the attitude of those who are now carrying on the society's affairs. In the governing body there are a number of well-known men. They are familiar with parliamentary rules and are aware that the public is interested in what the society is doing, so there must have been a reason for the procedure they chose to adopt. I do not think we should encourage those people to act in this way. Let them realize that they will be required to follow parliamentary rules, and that they cannot have a bill considered until after proper notice of it has been given. I might add that I see no objection to section 3, for that merely legalizes the French name of the society.

Hon. Mr. Gladstone: Honourable senators, the very foundation of the success of the Red Cross Society is voluntary service by the organization's supporters. As to the proposal for removing the restriction on the value of the society's real estate holdings, we should remember that no company is ever granted a charter entitling it to an unlimited capitalization. I find it difficult to understand why a bill containing such a proposal as this should have been presented to parliament at all.

The Hon. the Chairman: Does the honourable gentleman appreciate that in striking out section 1 of the bill we have dealt with the proposal to remove the limitation on the value of the real estate holdings?

Hon. Mr. Gladstone: I do appreciate that, Mr. Chairman. What I have been saying is really an aside to the remarks that I wish to make on section 2, which would empower the central council to increase the number of its members to sixty, although five members would still constitute a quorum of the executive committee. Passage of this section would make possible the giving of decisions on very important matters by a mere handful of representatives of the great contributing public of Canada.

I heartily agree with what was said by the senator who immediately preceded me (Hon. Mr. Nicol). I think we should pass only the third section, which specifies what the name of the society shall be in the French language, and that the other two sections should be rejected. If the society's officers wish to have those two sections introduced at another session, let them come here prepared to give information that should be given, in the public interest.

Hon. Mr. Robertson: Honourable senators, I find it difficult to disassociate myself from the position of leader of the government in the consideration of a private bill. Though I am in sympathy with the difficulties in which the sponsor finds himself, it seems to me if there is any question at all of the unanimity of the house on this matter, he should accede to the suggestion made by the honourable senators who have just spoken. I of course do not wish to handicap in any way the work of the society, but it would seem that no serious harm will result if this suggestion is followed. I feel that it might be in the interest of the society—the very foundation of which is public confidence—to allow the matter to stand. I realize the responsibility that places upon the honourable gentleman who has sponsored the bill, but I offer the suggestion for what it may be worth.

Hon. Mr. Turgeon: Honourable senators, I of course realize that this bill is under discussion now only through the courtesy of every member of the house. In view of the objections raised by the honourable senators from Wellington South (Hon. Mr. Gladstone) and Huron-Perth (Hon. Mr. Golding), and the suggestion made by the honourable leader of the house, I wish now, in fairness to the association, to put on the record the reasons behind the section dealing with the Central Council and the Executive Committee. The explanatory note on the constitution of the Central Council reads:

> This amendment is required generally to give increased representation on the governing body of the Society to the various provincial divisions, including the new province of Newfoundland.

On the constitution of the Executive Committee there is this explanatory note:

> The purpose of this amendment is to remove the limitation on the number of members of the Executive Committee in view of the increase in the maximum number of members of the Central Council.

With that explanation on the record, and bearing in mind that the house will meet again within two months, I offer no objection to the deletion of this section, and would move that section 2 of the bill be struck out.

Section 2 was rejected.

Section 3 was agreed to.

The preamble and the title were agreed to.

The bill was reported, as amended.

THIRD READING

Hon. Mr. Turgeon 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.

The Senate adjourned during pleasure.

At eight o'clock the sitting was resumed.

APPROPRIATION BILL No. 7

FIRST READING

A message was received from the house of Commons with Bill 224, an Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1950.

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 the seventh appropriation bill to come before us

since last March. The six previous bills granted interim supply, to allow the government to carry on the public service for the present financial year until such time as the estimates could be passed and the final supply bill put through parliament. The bill now before us grants $505,015,801.77, the amount that the government estimates will be required for the remainder of the fiscal year ending March 31, 1950. The estimates, supplementary estimates (Newfoundland), and further supplementary estimates No's. 1 and 2, tabled in this house, show that the government will need a total of $2,467,601,849 for the public service this year. Of this sum $984,293,691 is already provided for in existing statutes. Family allowances and public debt charges, together with some other items, are provided for in this way. This leaves the sum of $1,483,308,158 that is not otherwise provided for, and which parliament has been asked to appropriate. The six previous bills that were before us appropriated $978,292,356.23 of this amount, leaving $505,015,801 unprovided for. The purpose of the present bill is to make provision for this final sum.

Section 2 of the bill would grant $440,983,724.09. This represents the amount of the main estimates not already voted by the previous bills. These estimates are found in schedule A of this bill.

Section 3 provides $7,485,744.34. This represents the amount of supplementary estimates (Newfoundland) that have not already been voted. These estimates may be found in schedule B.

Section 4 would vote the remaining amounts of the further supplementary estimates Nos. 1 and 2, which estimates are set out in schedule C. The sum of these is $56,546,333.34. The total of the amounts mentioned in sections 2, 3 and 4 is $505,015,801.77, which is the entire amount covered by this bill.

Section 5 authorizes the Governor in Council to borrow up to $200 million in addition to what may be borrowed under powers given by the Consolidated Revenue and Audit Act, 1931. These sums so borrowed could be used for public works and general purposes, and the payment and redemption of treasury bills and Dominion of Canada deposit certificates that may mature from time to time.

Section 6 provides for the accounting of the money spent under the authorization of the bill.

Hon. R. B. Horner: Is this a complete summary of all the expenditures, including those for national defence?

Hon. Mr. Robertson: Yes, it includes all the estimates and represents the specific balance of the total estimates, that is the balance after what has already been granted by the various interim supply bills that have been passed from time to time.

Hon. Mr. Horner: Honourable senators, I know of course that the Senate cannot increase the amount granted by a supply bill, but our inability in that respect does not prevent us from making some comments on money votes. I should like it understood that my few remarks will represent my own personal ideas. In these estimates there is something like $400 million for national defence.

Hon. Mr. Robertson: The actual figure is $382 million.

Hon. Mr. Horner: The thing that we Canadians should be concerned to ask in this day and age is why that is necessary. A few weeks ago the honourable gentleman from Ottawa (Hon. Mr. Lambert) was properly annoyed because the press had failed to give any publicity to the statement of the honourable gentleman from Waterloo (Hon. Mr. Euler) that a possible solution of the difficulties now facing all countries was to be found in "a moral, religious or spiritual revival among all the peoples of the world, with a real appreciation of the brotherhood of man and the need for living together in peace and harmony". Just imagine what a country like Canada might accomplish if it spent $400 million on missionary work rather than on national defence.

I am somewhat concerned about this question. Personally I cannot see that the expenditure of this large sum of money will be of any avail at all. What we ought to try to ensure is that the conduct of this country's affairs is unanimously approved by the people. It is of the greatest importance that in the event of a national emergency there should be in this country no fifth column or any group of people who would not, either by service in the armed forces or in some other way, support the democratic system as we know it.

I recently made a trip to Fort St. John in the Peace River district, where the National Defence Department was carrying on Exercise Eagle. Well, honourable senators, I do not know whether that operation served any useful purpose, but the older Indians in that country, who remembered the strategy employed in their early battles, were laughing at the whole procedure. They did not think our forces could take one teepee. I was reminded of the remark of Wellington, quoted recently by the honourable senator from Inkerman (Hon. Mr. Hugessen), and if I may apply it to Exercise

Eagle, I would say that I do not know what the "enemy" thought of our forces, "but, by God, they frightened me."

Some Hon. Senators: Oh, oh.

Hon. Mr. Horner: I am making these remarks tonight only to impress upon honourable senators the fact that no one in Canada wishes for anything but peace. With that attitude on our part, it is a sad thing that we have to spend almost $400 million for national defence. It is interesting to note that when I first came to this house Canada's national budget by taxation was approximately $400 million.

When I hear young people say, as I often do, that the rich man wants war so that he can make money, I ask them, "What on earth are you talking about? Farmers' prices were high in wartime. Would it be fair to say that they want war? The rich man is the one who often has everything taken away during the war, so why should he want anything but peace?"

When we return to our constituencies, honourable senators, our aim should be towards finding some means by which the present expenditure for national defence may be lessened. We should emphasize the fact throughout Canada that no one should have any fear of our ambitions or intentions. All we want to do is defend ourselves, if necessary. I realize that we are associated with other nations in our defence program, and that to a large extent our expenditures are necessary because of that relationship. I repeat the sentiment so often expressed by the late Mr. Woodsworth, that they who take the sword will perish by the sword. Some of our concern for defence may be attributable to the fact that at the outbreak of the recent war other nations pointed to our unpreparedness. But I think it should be the aim of every responsible person in Canada to hasten the day when our expenditures for defence will be reduced. Just imagine what $400 million would do for Canada if spent in other ways! Not one dollar of the expenditure for national defence will be of any permanent use to this country.

My purpose in speaking this evening is to express the hope that we shall soon advance to a point where such outlays will not be necessary, and to urge diplomats everywhere to work for peace throughout the world. I hope that Canada and all other countries will soon be able to turn their resources to much better use than preparation for war.

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.

PROROGATION OF PARLIAMENT

The Hon. the Speaker informed the Senate that he had received a communication from the Assistant Secretary of the Governor General, acquainting him that the Right Honourable Thibaudeau Rinfret, acting as Deputy for His Excellency the Governor General, would proceed to the Senate chamber this day at 9 p.m. for the purpose of proroguing the present session of parliament.

The Senate adjourned during pleasure.

PROROGATION OF PARLIAMENT

THE ROYAL ASSENT—SPEECH FROM THE THRONE

The Right Honourable Thibaudeau Rinfret, 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 Right Honourable the Deputy of the Governor General was pleased to give the Royal Assent to the following bills:

An Act for the relief of John Henniker Torrance.

An Act for the relief of Edith Harriet Black Hambly.

An Act for the relief of Margaret Reid O'Connell.

An Act for the relief of Alton Charles Bray.

An Act for the relief of Kathleen Gertrude Macartney Dorken.

An Act for the relief of Louise de Forest MacAlpine.

An Act for the relief of Jessie Fraser Blaiklock Stewart.

An Act for the relief of Alice Lafond Burnham.

An Act for the relief of Muriel Annie Elizabeth Hicks Kurtzman.

An Act for the relief of Robert Walsham Herring.

An Act for the relief of Leta Helen Butler Waller.

An Act for the relief of Violet Blodwyn Young Murdoch.

An Act for the relief of Joseph Tannenbaum.

An Act for the relief of Isabel Christine MacLean Robinson.

An Act for the relief of Marie Annette Vallieres Handfield.

An Act for the relief of Nicholas Kouri.

An Act for the relief of Viateur Fortier.

An Act for the relief of Lois Elizabeth Rolph.

An Act for the relief of Madeleine Dunn Landry.

An Act for the relief of Arthur Joseph D'Avignon.

An Act for the relief of Jessie Gwendolyn Paul Giroux.

An Act for the relief of Celia Maria Gabrielle de Costa Baxter.

An Act for the relief of Dorothy Amelia Beattie Harrison.

An Act for the relief of Rosaline Laham Anber.

An Act for the relief of Anna Starzynski Sztafirny.

An Act for the relief of Marjorie Claire Dickison LeMieux.

An Act for the relief of Dorothy Ruth Brown Bailey.

An Act for the relief of Lorne Bradbury Ashton.
An Act for the relief of Harry James Seaban.
An Act for the relief of Julia Seram Odenick.
An Act for the relief of Myrtle Elizabeth Howat Brammall.
An Act for the relief of Francis Gilmer Tempest Dawson.
An Act for the relief of Imelda Poirier Tremblay.
An Act for the relief of Joseph Charles Paul Emile Chales.
An Act for the relief of Robert Mason Watson.
An Act for the relief of Catherine Alexandra Mackenzie Mitchell.
An Act for the relief of Irene Filion Primeau.
An Act for the relief of Mary Jean Strachan Taylor.
An Act for the relief of Edna Kate Folley Dickenson.
An Act for the relief of Gerald Geoffrey Racine.
An Act for the relief of Yvonne Marshall Balfry Corbin.
An Act for the relief of Colleen Ethel Thornhill Clark.
An Act for the relief of Leith Albert Anderson Baldwin.
An Act for the relief of Marie Jeanne Martin.
An Act for the relief of Irene Emily Katerelos Stones.
An Act for the relief of Margaret Helen Milne Ward.
An Act for the relief of Lizzie Brogden Hibberd.
An Act for the relief of Eric Jeffery Burn.
An Act for the relief of Agnes McIntosh McKillop McBride.
An Act for the relief of Elizabeth Audrey Beau-Clerk Quinlan.
An Act for the relief of Thelma Blanche Collins Geick.
An Act for the relief of Thora Beckingham Lock.
An Act for the relief of Hugh William Lloyd.
An Act for the relief of Linda Emilia Wilen Robitaille.
An Act for the relief of Brina Paskin Warshaw.
An Act for the relief of Thomas Hanusiak.
An Act for the relief of Loretta Waugh O'Dell.
An Act for the relief of Marie Rita Plante Boyer.
An Act for the relief of Dorothy Waxman Sherman.
An Act for the relief of Laura Cohen Kaminsky.
An Act for the relief of Annie Marion Lesnichuk Krushelniski, otherwise known as Annie Marion Lesnichuk Krush.
An Act for the relief of Marjorie May Smart Birmingham.
An Act for the relief of Anna Sandberg Goldbloom, otherwise known as Anna Sandberg Gold.
An Act for the relief of Olive Frances Harper Morrison.
An Act for the relief of Delphis Brousseau.
An Act for the relief of Gladys McCarrick Bonnemer.
An Act for the relief of Bernice Beverly Corry Cohen.
An Act for the relief of Bessie Zinman.
An Act for the relief of Marion Lillian Gargan Thomson.
An Act for the relief of Mary Piekos Rynski.
An Act for the relief of Victor Chryssolor.
An Act for the relief of Blanche Ruth Serokey Smith.
An Act for the relief of Raymonde Belanger Skaife.
An Act for the relief of Elizabeth Maud Gwendolen Tobi Hearns.
An Act for the relief of Ruby Muriel Keith Gray.
An Act for the relief of Laurel Jeanne MacGregor Thomson.
An Act for the relief of Edith Sara Hamilton Warlund.
An Act for the relief of Donald Duncalf Birchenough.
An Act for the relief of Joan Gertrude Fox Corbett.
An Act for the relief of Richard William Henry Wark.
An Act for the relief of Eileen Dorothy Richards Turner.
An Act for the relief of Janey Beryl MacPhail Shuttleworth.
An Act for the relief of Edith Cohen.
An Act for the relief of Ida Lindy Angel Katzman.
An Act for the relief of Marian Latora Glendening Joncas.
An Act for the relief of Eva Nerenberg Anger.
An Act for the relief of Josephine Teweson Paul Bero.
An Act for the relief of Phyllis Elizabeth Ross Erskine.
An Act for the relief of Jeannette Mathilda Seymour Oswald.
An Act for the relief of George Bennett Gagnon.
An Act for the relief of Bertha Rudolph Holzberg.
An Act for the relief of Lillian Elizabeth Moore Bowen.
An Act for the relief of Laurence Bouchard Pappini.
An Act for the relief of Nana Rosenberg Taube.
An Act for the relief of Cecile de Mers Asheim.
An Act for the relief of Elsie Margaret Harding Lewin.
An Act for the relief of Raymond Webster Elliott.
An Act for the relief of Hazel Wilma Drysdale Warnecke.
An Act for the relief of Ruby Rabinovitch Friedgut, otherwise known as Ruby Rabinovitch Freygood.
An Act for the relief of Mildred Carmen Mitchell James.
An Act for the relief of Bessie Birenbaum Abrams.
An Act for the relief of Grace Elsie Mills Johnson.
An Act for the relief of Robert Ewen Stewart.
An Act for the relief of Mary Cecilia Helliwell Glassco.
An Act for the relief of Betty Malca Stillman Shugar.
An Act for the relief of Tessie Charow Hersh.
An Act for the relief of Cicely Manley Sampson.
An Act for the relief of Paul Paquette.
An Act for the relief of Joseph Simon Adelard Barrette.
An Act for the relief of Edith Daisy Steer Catto.
An Act for the relief of Gwen Pollock Harris.
An Act for the relief of Sonia Eagle Davies.
An Act for the relief of Evelyne Louis Steinwold.
An Act for the relief of John Gilbert Speak.
An Act for the relief of Chesna Laing Shapiro.
An Act for the relief of Edith Turcotte.
An Act for the relief of Irene Brodwin Miller.
An Act for the relief of Jean Ruth Montgomery Loiselle.
An Act for the relief of Joseph Charles Michel Emery.
An Act for the relief of Lyla Almina Wharry Johnston.
An Act for the relief of Marjorie Helen Glass Nixon.
An Act for the relief of Olga Hetmanchuk Dorval.
An Act for the relief of Grace Melina Cotton Crawford.
An Act for the relief of Thomas Gillespie Shields.
An Act for the relief of Czerna Berger Borodow.
An Act for the relief of Freda Tippett Hart.
An Act for the relief of Rebecca Rosa Jacobs Bershadsky.
An Act for the relief of Etta Valerie Sherwin Sperber.
An Act for the relief of Sandy Douglas Carbone.
An Act for the relief of Hellen Isabel Dawson Parlee.
An Act for the relief of Violet Emma Woodhall Brownridge.

An Act for the relief of James Samuel Hatton.
An Act for the relief of Anne Denburg Hershcovich.
An Act for the relief of Ruth Baranoff Clark.
An Act for the relief of Viateur Longpre.
An Act for the relief of Evalina May Carter O'Connell.
An Act for the relief of Borys Zaryn.
An Act for the relief of Alice Dorothy Rollson Cransky.
An Act for the relief of Shirley Patrica Susan Oakes Rowlands.
An Act for the relief of Margaret Adeline Bodley Cabana.
An Act for the relief of Mary Letinetsky Nemeroff.
An Act for the relief of Norah Helen Jarrett McCaffrey.
An Act for the relief of Elizabeth Karaszi Bergeron.
An Act for the relief of John Albert Roberts.
An Act for the relief of Leslie Ernest Tulett.
An Act for the relief of Ernest Tonegawa.
An Act for the relief of Rene Walsh.
An Act for the relief of Sara Tepper Prupas.
An Act for the relief of Joseph Wilfred Melanson.
An Act for the relief of Muriel Johnson Binnie Keates.
An Act for the relief of William Campbell James Meredith.
An Act for the relief of Lillian Steinberg Heitner.
An Act for the relief of Clayton George Allison.
An Act for the relief of Louis Kasper.
An Act for the relief of Arthur Colpron.
An Act for the relief of Berengere Pare Fuller.
An Act for the relief of Enid Dorothy MacRae Gauley.
An Act for the relief of Guy Merrill Desaulniers.
An Act for the relief of Margaret May Lester Rajotte.
An Act for the relief of Odette Therese Gabard Coupal.
An Act for the relief of Ella Maxine Shover Logan.
An Act for the relief of Bernard Rivet.
An Act for the relief of Phyllis Elizabeth Campbell Westover.
An Act for the relief of Mildred Blanche Tilson Bell.
An Act for the relief of Ruby Anderson Edwards.
An Act for the relief of Vera Marguerite Abraham Allen Richey.
An Act respecting The British and Foreign Bible Society in Canada and Newfoundland.
An Act to amend the Supreme Court Act.
An Act to amend the Animal Contagious Diseases Act.
An Act to amend The Export and Import Permits Act.
An Act respecting the Applicaton of a National Trade Mark to Commodities and respecting the True Descripton of Commodites.
An Act to amend the Pension Fund Societies Act.
An Act respecting the Incorporation of Pure-Bred Live Stock Record Associations.
An Act to amend the Combines Investigation Act.
An Act to authorize the granting of a subsidy to the Government of the Province of British Columbia in aid of the construction of an extension to the Pacific Great Eastern Railway.
An Act to encourage and assist in the construction of a Trans-Canada Highway.
An Act to amend the Royal Canadian Mounted Police Act.
An Act to amend The National Housing Act, 1944.
An Act to amend The Surplus Crown Assets Act.
An Act to amend The Prairie Farm Assistance Act, 1939.
An Act to amend The Judges Act, 1946.
An Act to Establish the Canadian Overseas Telecommunication Corporation.
An Act to amend the Customs Act.
An Act to amend The Government Employees Compensation Act, 1947.
An Act respecting the Acquistion of the Temiscouata Railway.
An Act respecting the Department of Resources and Development.
An Act respecting the Department of Citizenship and Immigration.
An Act to amend the Salaries Act.
An Act to amend the Excise Tax Act.
An Act to amend The Veterans' Land Act, 1942.
An Act to amend The Emergency Gold Mining Assistance Act.
An Act respecting the Inspection of Fish and Marine Plants.
An Act respecting Bankruptcy.
An Act to amend the Criminal Code.
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 1949, 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 Industrial Development Bank Act.
An Act respecting the Department of Mines and Technical Surveys.
An Act to amend The Dominion-Provinical Tax Rental Agreements Act, 1947.
An Act to encourage the Construction and Conversion of Vessels in Canada.
An Act to assist Producers of Coal in the Atlantic Maritime Provinces.
An Act to amend the Customs Tariff.
An Act respecting Forest Conservation.
An Act to amend The Income Tax Act and the Income War Tax Act.
An Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1950.

After which the Right Honourable the Deputy of the Governor General was pleased to close the First Session of the Twenty-first Parliament of Canada with the following Speech:

Honourable Members of the Senate:

Members of the House of Commons:

Since the opening of the present session of parliament you have approved measures required for the discharge of the constitutional responsibilities of our nationhood. As a result the Supreme Court of Canada will shortly become the final court of appeal for Canada.

In response to your address the parliament of the United Kingdom has amended the British North America Act to vest in the Parliament of Canada the power to make amendments to the constitution of Canada in matters which are exclusively of federal concern.

Early in the New Year a conference with representatives of the provincial governments will be held for the purpose of working out a satisfactory procedure for making within Canada such other amendments to the constitution as may from time to time be required.

Our country continues to take an active part in the proceedings of the United Nations. Despite that organization's present inability to solve the major political problem confronting mankind, the United Nations has succeeded in coping with menacing situations in many parts of the world. At the current session of the General Assembly, Canada was elected to the Economic and Social Council.

It is gratifying that the agencies under the North Atlantic Treaty have been established and are undertaking the tasks which have been assigned to them.

My ministers are giving constant attention to the defence needs of Canada. The consideration of the measure to consolidate existing legislation respecting our defence forces has not been completed. This measure will be re-introduced at your next session.

The real foundation of the ability of the nations of the North Atlantic community to defend themselves lies in their continued economic strength and stability. Canada is co-operating with other nations, particularly the United Kingdom and the United States, in seeking solutions to the difficult economic problems which still confront the democratic world.

The revaluation of currencies in western Europe and the sterling area made it necessary to alter the exchange rate of the Canadian dollar.

You have approved important amendments to the National Housing Act designed to maintain the present high volume of housing construction.

Legislation has also been enacted to enable the federal government to enter into agreements with the provinces for sharing the cost of construction of a trans-Canada highway.

Provision has been made for three new departments to replace the Department of Reconstruction and Supply and the Department of Mines and Resources. These will be the Department of Mines and Technical Surveys, the Department of Resources and Development, and the Department of Citizenship and Immigration which will also be responsible for the administration of Indian Affairs.

A special parliamentary committee examined into the operations of the Atomic Energy Control Board.

During the session measures have been enacted respecting forest conservation; the application of a national trade mark and the true description of commodities; the establishment of the Canadian Overseas Telecommunication Corporation; assistance in the production of coal in the Atlantic Maritime region; encouragement of the construction of ships in Canada; the disposal of surplus Crown assets. Amendments have been made to the Prairie Farm Assistance Act of 1939; the Emergency Gold Mining Assistance Act; the Industrial Development Bank Act; the Criminal Code; the Royal Canadian Mounted Police Act; the Judges Act of 1946; the Animal Contagious Diseases Act; the Export and Import Permits Act; and the Veterans' Land Act of 1942. The fish inspection legislation has been revised. The Combines Investigation Act has been strengthened and a complete revision has been made of the Bankruptcy Act.

The government has announced a new policy respecting grants to municipalities in which there is an exceptional concentration of federal property.

Members of the House of Commons:

I thank you for the provision you have made for all essential services for the current fiscal year. The budget resolutions, providing for substantial reductions in taxation, have been approved and the necessary legislation has been enacted.

Honourable Members of the Senate:

Members of the House of Commons:

As you return to your homes, I should like to extend to you. and through you to those you represent, my best wishes for the Christmas season and to express the hope that Divine Providence will continue to bless our people with prosperity and happiness in the new year.

INDEX TO DEBATES OF THE SENATE

FIRST SESSION, TWENTY-FIRST PARLIAMENT, 1949

Abbreviations:—1r, 2r, 3r,=first, second and third reading. Com=Committee. Div=Division. M=Motion. Ref=Referred. Rep=Report.

Agriculture, 12, 41, 87, 106, 127, 158, 368-373

Aseltine, Hon. W. M.

Divorce
Petitions
Advertising and service, 40
Withdrawn, 40, 41
Statistics (1949), 337
Judges bill, 376
National Defence bill, 229
Prairie Farm Assistance bill, 369-371
Prize winning grain—felicitations to growers, 327
World Series broadcasts, 84

Atlantic Pact, 11, 93

Baird, Hon. A. B.

Address in reply to Speech from the Throne, 56
Felicitations to the Speaker on his appointment, 56
Newfoundland
Character of people, 56, 57
Communism, 57
Social security, 56
Union with Canada, 56
Criminal Code (Bill D), 36
Customs bill—wine processing, 274

Barbour, Hon. G. H.

Criminal Code (Bill No. 10), 424

Beaubien, Hon. A. L.

Daylight Saving, 302
Prairie Farm Assistance bill, 370, 372

Beauregard, Hon. Elie (Speaker)

Appointment as Speaker, 1
Canadian Red Cross Society bill, 471, 473
Felicitations on appointment as Speaker, 1, 2, 10, 18, 41, 43, 58, 99, 137
National Defence bill, official welcome to Minister, 225
Parliament
Opening of, 1, 3
Prorogation, 476

Beauregard, Hon. Elie (Speaker)—Con.

Royal Assent, 68, 170, 476
Rulings
Re third reading of bill, 401, 422
Re debates in House of Commons, 175
Re motion for adjournment of Senate, 248
Surplus Crown Assets bill—concurrence in Commons amendment, 366

Bills (Divorce)

1r, 84, 105, 107, 127, 137, 148, 158, 211, 224, 245, 247, 264, 285, 287, 290, 308, 320
2r, 84, 105, 135, 141, 142, 148, 158, 223, 224, 245, 247, 285, 287, 290, 308, 320
3r, 96, 105, 136, 141, 142, 159, 175, 224, 247, 263, 285, 287, 290, 308, 313, 320

Bills (Private) re:—

Alberta Natural Gas Company (Hon. Mr. Turgeon). 1r, 50; 2r, 77; ref to com, 83; rep of com—3r, 127
British and Foreign Bible Society in Canada and Newfoundland. (Hon. Mr. Paterson). 1r, 137; 2-3r, 148; refund of fees, 175
Canadian Red Cross Society (Hon. Mr. Turgeon). 1r, 469; M for 2r, 469; 2r, 473; Committee of the Whole, 473; 3r, 474
Prairie Pipelines Limited (Hon. Mr. Lambert). 1r, 96; 2r, 116; ref to com, 118; rep of com—3r, 158

Bills (Public) re:—

Animal Contagious Diseases. 1r, 250; 2r, 270; ref to com, 271; rep of com—3r, 309
Appropriation
No. 5. 1-2r, 62; 3r, 68
No. 6. 1-2r, 170; 3r, 174
No. 7. 1-2r, 474; 3r, 476
Bankruptcy. 1r, 69; 2r, 97; ref to com, 99; rep of com, 206, 219; 3r, 219; Commons amendments, 384
Canada Forestry. 1r, 366; 2r, 457; 3r, 459
Canadian National Railways Financing and Guarantee. 1r, 366; 2r, 382; ref to com, 384; rep of com—3r, 420
Canadian Overseas Telecommunication Corporation. 1r, 327; 2r, 338; ref to com, 342; rep of com, 349; concurrence in committee amendments—3r, 368

Bills (Public) re:—*Con.*

Canadian Vessel Construction Assistance. 1r, 379; 2r, 452; 3r, 455
Combines Investigation. 1-2r, 321; ref to com, 327; rep of com—3r, 349
Criminal Code (Bill D). 1r, 18; 2r, 27; Committee of the Whole, 30; 3r, 36; Commons amendments concurred in, 40
Criminal Code (Bill No. 10). 1r, 385; 2r, 412; ref to com, 416; rep of com, 421; M for 3r, 421; Committee of the Whole, 424; 3r, 431
Customs. 1r, 250; 2r, 272, 287; ref to com, 287; rep of com—3r, 298
Customs Tariff. 1r, 394; 2r, 455; 3r, 456
Department of Citizenship and Immigration. 1r, 379; 2-3r, 393
Department of Justice. 1r, 5; 2r, 38; 3r, 41
Department of Mines and Technical Surveys. 1r, 366; 2r—ref to com, 386; rep of com—3r, 420
Department of Resources and Development. 1r, 366; 2r, 385; 3r, 386
Dominion-Provincial Tax Rental Agreements. 1r, 379; 2r, 451; 3r, 452
Emergency Gold Mining Assistance. 1r, 379; 2r, 408; 3r, 411. (Appendices A. B. and C., 415-419)
Exchequer Court. 1r, 5; 2r, 36; 3r, 41
Excise Tax. 1r, 366; 2r, 402; 3r, 406
Export and Import Permits. 1r, 142; 2r, 161; ref to com, 168; rep of com—3r, 215
Fish Inspection. 1r, 336; 2r, 351; ref to com, 357; rep of com, 379; concurrence in committee amendments—3r, 411
Government Employees Compensation. 1r, 327; 2r, 350; 3r, 351
Income Tax and Income War Tax. 1r, 394; 2r, 431; ref to com, 449; rep of Com—3r, 461
Industrial Development Bank. 1r, 349; 2r, 377; ref to com, 378; rep of com—3r, 420
Judges. 1r, 349; 2r, 373; 3r, 377
Livestock Pedigree. 1r, 106; 2r, 127; ref to com, 129; rep of com—3r, 158
Maritime Coal Production Assistance. 1r, 366; 2r, 449, 3r, 451
National Defence. 1r, 211; 2r, 225; ref to com, 231; rep of com, 338; concurrence in committee amendments, 398; 3r, postponed, 457; 3r, 462
National Housing. 1r, 336; 2r, 358; 3r, 365
National Trade Mark and True Labelling. 1r, 142; 2r, 168; ref to com, 169; rep of com—3r, 174
Pacific Great Eastern Railway Aid. 1r, 327; 2r, 342; ref to com, 347; rep of com—3r, 349

Bills (Public) re:—*Con.*

Pension Fund Societies. 1r, 181, 2r, 223; 3r, 225
Prairie Farm Assistance. 1r, 347; 2r, 368; 3r, 373
Railways (pro forma). 4
Royal Canadian Mounted Police. 1r, 337; 2r, 357; 3r, 358
Salaries. 1r, 379; 2-3r, 393
Supreme Court. 1r, 106; 2r, 107, 129, 148, 159, 175, 181, 211; 3r, 214
Surplus Crown Assets. 1r, 250; 2r, 275; ref to com, 279; rep of com, 286; 3r postponed, 286; 3r, 290; Commons amendments, 366
Temiscouata Railway. 1r, 366; 2r, 380; 3r, 382
Trans-Canada Highway. 1-2r, 329; ref to com, 336; rep of com—3r, 350
Veterans' Land. 1r, 379; 2r, 406; 3r, 408

Bouffard, Hon. Paul-Henri

Felicitations to Speaker on his appointment, 2
Supreme Court bill, 129-134

British North America Act, 12, 21, 135, 159, 175, 231, 264
Amendment, 69, 106, 107, 119, 178, 180, 189-205, 214, 217, 219, 231, 239
Motion, notice of substitute, 181; adopted, 245

British Trade Agreement, 255, 256, 262

Buchanan, Hon. W. A.

Customs bill, 287
Irrigation, 372
Prairie Farm Assistance bill, 372
Press report, privilege—correction, 181
Trans-Canada Highway bill, 329-331

Burchill, Hon. G. P.

Address in reply to Speech from the Throne, 58
Felicitations to Speaker on his appointment, 58
International trade—price, exchange rate, tariff, 59
Newfoundland, 58
Canada Forestry bill, 459
Deceased senators, 396
Maritime Lumber industry, 366
Royal Canadian Mounted Police bill, 357

Campbell, Hon. G. P.

Criminal Code (Bill No. 10), 429
Export and Import Permits bill, 215
Income Tax and Income War Tax bill, 431-439
National Trade Mark and True Labelling bill, 168
Prairie Pipelines Limited bill, 116

Canadian Bill of Rights, 216, 218, 386-392, 466

Claxton, Hon. Brooke, P.C. (Minister of National Defence)
National Defence bill, 225-230

Communism, 57, 138

Copp, Hon. A. B., P.C.

Alberta Natural Gas Company bill, 127
Appropriation bill No. 5, 63
Bankruptcy bill, 219
British North America Act amendment, 219
Committee on Orders and Privileges, 4
Criminal Code (Bill D), 40
Department of Justice bill, 41
Exchequer Court bill, 41
Pension Fund Societies bill, 223
Prairie Pipelines bill, 158
Railway bill (pro forma), 4
Senate
Committee of Selection—presentation of report, 18, (appendix 25); concurrence in report, 38
Speech from the Throne, motion for consideration of, 4

Copp, the late Hon. A. B., P.C., tributes to his memory, 395-398

Crerar, Hon. T. A., P.C.

Address in reply to Speech from the Throne, 137
Christianity and communism, 138
Felicitations to Speaker on his appointment, 137
Newfoundland, 138
Union of world democracies, 140
Appropriation bill No. 5, 67
British North America Act amendment, 220
Export and Import Permits bill, 165
National Defence bill, 230
Surplus Crown Assets bill, 277, 286
West Indies trade, 261

Currency devaluation, 22, 46, 55, 88, 253, 410, 411, 460

Czechoslovakia

Claims against—inquiry, 457, 461

Dairy industry, 87

Davies, Hon. W. Rupert

Books, censorship of, 389-392
Criminal Code (Bill No. 10), 427
Daylight Saving, 301
Human Rights and Fundamental Freedoms, 347, 386-392
National Defence bill, 230
National Housing bill, 360, 364

Daylight Saving, 286, 298-308

Divorce, 40, 148, 337

Dollar-sterling crisis, 44, 50, 64, 293

Dominion Lands Act Regulations, 380, 394

Dominion and provincial rights, 20, 150, 151, 153, 161, 175, 179, 193-205, 232-238, 240-243, 280-282, 359, 360

Doone, Hon. J. J. Hayes

Criminal Code (Bill No. 10), 429
Deceased senators, 396
Human Rights and Fundamental Freedoms, 313-318

Dupuis, Hon. Vincent

Bankruptcy bill, 208, 210
Criminal Code (Bill No. 10), 430
Daylight Saving, 304
Senate procedure, 312

Du Tremblay, Hon. P. R.

British North America Act amendment, 237
Criminal Code (Bill No. 10), 423

Education, 11

Estimates and expenditures, discussion of, 171-174
Consideration by Standing Committee on Finance, 205

Euler, Hon. W. D., P.C.

Address in reply to Speech from the Throne, 91
International trade, 95
Senate, proposal to curb powers of, 91
Union of world democracies, 93
Daylight Saving, 286, 298-300
Excise Tax bill, 405
Income Tax and Income War Tax bill, 446
Customs bill, 275
Senate, business of, 248
Supreme Court bill, 177

Fallis, Hon. Iva C.

Address in reply to Speech from the Throne, 60
Appointment of women to the Senate, 61, 62
Political co-operation, 61
Privy Council appeals, 61
Human Rights and Fundamental Freedoms, 267

Farris, Hon. J. W. deB.

Alberta Natural Gas Company bill, 78
Bankruptcy bill, 206-208
British North America Act amendment, 189-200
Criminal Code (Bill D), 30, 32
Deceased senators, 8
National Trade Mark and True Labelling bill, 174
Supreme Court bill, 148-157
West Coast Transmission Company petition, 69

Fishing industry, 15, 58, 250, 252, 255, 294, 351-357, 379, 411

Fogo, Hon. J. Gordon

Bankruptcy bill, 97
Canadian Vessel Construction Assistance bill, 452-454
Criminal Code (Bill D), 35
Income Tax and Income War Tax bill, 461
Judges bill, 373
Surplus Crown Assets bill, 275-278

Gershaw, Hon. F. W.

Address in reply to Speech from the Throne, 41
Crop conditions in Southern Alberta, 41
Increased production necessary, 42
Irrigation, 42
Daylight Saving, 302

Gladstone, Hon. R. W.

Canadian Red Cross Society bill, 474
Distribution of documents—Commons Votes and Proceedings, 313

Godbout, Hon. Joseph-Adelard

Address in reply to Speech from the Throne, 10-13
Agriculture, 12
Canada's constitution, 12
Education, 11
Felicitations to Speaker on his appointment, 10
Military preparedness, 10
National security, 11
Social welfare, 11

Golding, Hon. W. H.

National Defence bill, 400
Senate, work of, 400

Gouin, Hon. L. M.

British North America Act amendment, 200-205
Canadian Overseas Telecommunication Corporation bill, 349
Human Rights and Fundamental Freedoms, 279-282
Pacific Great Eastern Railway Aid bill, 349
Trans-Canada Highway bill, 350

Great Britain, 44, 51

Haig, Hon. John T.

Address in reply to Speech from the Throne, 18-24
Appeals to Privy Council, 19
British North America Act, 21
Currency devaluation, 22
Felicitations to Speaker on his appointment, 18
Housing, 21
International trade, 23
Old Age Pensions, 22
Trans-Canada highway, 21
Alberta Natural Gas Company bill, 83
Appropriation bills
No. 5, 64
No. 6, 171
Bankruptcy bill, 209
British North America Act
Address to His Majesty, 106
Amendment, 219, 239-243
Canadian National Railways Financing and Guarantee bill, 383
Combines Investigation bill, 323
Criminal Code (Bill D), 33
Criminal Code (Bill No. 10), 413, 422
Customs bill, 273
Daylight Saving, 305
Deceased senators, 7, 396
Divorce
Hearing of evidence, 127
Reports of committee, 148
Dollar-sterling crisis, 64
Export and Import Permits bill, 163
Income Tax and Income War Tax bill, 438-442, 444
Judges bill, 374
National Housing bill, 361-364
Railway situation in Canada, 383
Senate
Atmospheric conditions in Chamber, 393
Business of, 248
Money bills—report of special committee, 249
Procedure, 310, 402
Rules, suspension, 27

Haig, Hon. John T.—*Con.*
Supreme Court bill, 177-180
Surplus Crown Assets bill, 278; rep of com, 286
Temiscouata Railway bill, 381
Trans-Canada Highway bill, 331-334
West Indies, trade with, 256

Hardy, Hon. A. C., P.C.
Appropriation bill No. 6, 172

Hayden, Hon. Salter A.
Canadian National Railways Financing and Guarantee bill, 420
Combines Investigation bill, 349
Criminal Code (Bill D), 27
Criminal Code (Bill No. 10), 412, 421, 431
Customs bill, 298
Department of Mines and Technical Surveys bill, 420
Emergency Gold Mining Assistance bill, 408-411. (Appendices A. B. and C., 415-419)
Excise Tax bill, 403-406
Income Tax and Income War Tax bill, 442-449
Industrial Development Bank bill, 420
Live Stock Pedigree bill, 127
National Defence bill, 398-400
Supreme Court bill, 211-214

Horner, Hon. R. B.
Address in reply to Speech from the Throne, 85
Currency devaluation, 88
Dairy industry, 87
Housing, 89
Immigration, 90
Privy Council appeals, 85, 88
Railways of western Canada, 86
Animal Contagious Diseases bill, 271
Appropriation bill No. 7, 475
British North America Act amendment, 243-245
Canada Forestry bill, 458
Criminal Code (Bill D), 34
Daylight Saving, 300
Privilege, 309
Judges bill, 376
Prairie Farm Assistance bill, 373
Trans-Canada Highway bill, 335

House of Commons legislation
Senate powers respecting, proposal to curb, 91

Housing, 21, 89, 99, 358-365

Howard, Hon. C. B.
Canadian National Railways Financing and Guarantee bill (Air Service at Sherbrooke), 384

Howden, Hon. J. P.
Daylight Saving, 302

Hugessen, Hon. A. K.
Address in reply to Speech from the Throne, 43
Dollar-sterling crisis, 44-49
British Government policies, 45
Currency devaluation, 46
Felicitations to Speaker on his appointment, 43
Newfoundland, 43
Alberta Natural Gas Company bill, 81
Customs bill, 272
Department of Justice bill, 38
Dominion-Provincial Tax Rental Agreements bill, 451
Exchequer Court bill, 36
Export and Import Permits bill, 161, 167
National Defence bill, 402
Senate
Procedure, 311
Supreme Court bill, 107-116

Human Rights and Fundamental Freedoms
Motion, 215, 216, 218, 246, 264, 313-318, 347, 386-392, 461, 463; withdrawn, 464

Immigration, 90, 255, 395

International Trade, 23, 44, 46, 47, 49, 51, 52, 59, 95, 102, 106, 250-263, 283-285, 293-295, 460
Canadian trade situation, 251, 260, 294

Irrigation, 42, 372

Israel
Diplomatic and Trade relations with—inquiry, 457, 461

Judiciary, 133, 176, 178, 183, 186, 198
Salaries, 156, 373-377

King, Hon. J. H., P.C.
Felicitations to Speaker on his appointment, 2
Trans-Canada Highway bill, 334

Kinley, Hon. J. J.
Criminal Code (Bill D), 31, 32
Daylight Saving, 303
Human Rights and Fundamental Freedoms, 218
Supreme Court bill, 184
West Indies, trade with, 250-259

Labour, 45, 51

Lacasse, Hon. Gustave
Canadian National Railways Financing and Guarantee bill, 383

Lambert, Hon. Norman P.
Customs bill, 274
Customs Tariff bill, 455
Daylight Saving, 301
Export and Import Permits bill, 167
National Defence bill, 230
National Housing bill, 358-365
Prairie Farm Assistance bill, 371
Prairie Pipelines Limited bill, 96

Leger, Hon. A. J.
Criminal Code (Bill D), 28
Exchequer Court bill, 36
Fish Inspection bill, 353
Supreme Court bill, 134

Lesage, Hon. J. A.
British coal, 53

Lumber industry, 260, 294, 457-459
Maritimes', 366-368, 459-461

Mackenzie, the late Right Hon. Ian A., P.C.
Tributes to his memory, 6-10

MacKinnon, Hon. J. A., P.C.
Canada Forestry bill, 457, 459

MacLennan, Hon. Donald
Maritime Coal Production Assistance bill, 449-451

Marcotte, Hon. Arthur
British North America Act amendment, 231-236
Canadian Red Cross Society bill, 472
Senate procedure, 312
Supreme Court bill, 159-161

McDonald, Hon. J. A.
Animal Contagious Diseases bill, 270
Fish Inspection bill, 379

McIntyre, Hon. J. P.
Daylight Saving, 303
Government Employees Compensation bill, 350

McKeen, Hon. S. S.
Daylight Saving, 303
Deceased senators, 10
Fish Inspection bill, 351-357
Trade, Canada's, 264
West Indies, trade with, 259

McLean, Hon. A. N.
Address in reply to Speech from the Throne, 101
International trade, 102
British Empire Federated Chambers of Commerce proposals, 103
Commonwealth trade, 105
Monetary and economic controls, 102
Tariffs, 104
Fish Inspection bill, 354-356
West Indies, trade with, 283-285

Moraud, Hon. Lucien
Canadian Vessel Construction Assistance bill, 454
Customs bill, 275
Felicitations to Speaker on his appointment, 2
Income Tax and Income Tax bill, 448

Murdock, the late Hon. James, P.C.
Tributes to his memory, 6, 7, 9

Nehru, Pandit J., Prime Minister of India, 142

Newfoundland, 14, 43, 56, 57, 58, 138,
Fisheries, 15, 58, 252, 351

Nicol, Hon. Jacob
Canadian Red Cross Society bill, 470, 472, 473
Criminal Code (Bill No. 10), 428
Income Tax and Income War Tax bill, 448

Old Age Pensions, 22

Paterson, Hon. Norman McL.
British and Foreign Bible Society in Canada and Newfoundland bill, 137, 148
Canadian Red Cross Society bill, 470
Senate
Press report—privilege, 174
Staff of, 394

Parliament
Opening of, 1
Prorogation, 378, 476

Penny, the late Hon. George J.
Tributes to his memory, 394, 396, 397

Petten, Hon. Ray
Address in reply to Speech from the Throne, 13
Newfoundland
Industries and Natural Resources, 17
Pre-confederation history, 14
Trans-Canada highway, 17
Union with Canada, 15

Pottery industry
Inquiry and answer, 246

Price levels, 322, 324

Privy Council
Appeals to, 9, 19, 61, 85, 88, 107, 129, 148, 159, 175, 181, 211

Quinn, Hon. Felix P.
Fish Inspection bill, 356

Reid, Hon. Thomas
Animal Contagious Diseases bill, 271
Atomic Energy committee—inquiry, 225
Canadian Vessel Construction Assistance bill, 453, 454
Daylight Saving, 307
Fish Inspection bill, 357
Human Rights and Fundamental Freedoms, 287-289
Industrial Development Bank bill, 378
Judges bill, 374
National Defence bill, 400
Senate
Procedure, 309
Staff of, 394
Surplus Crown Assets bill, 277
Trans-Canada Highway bill, 335

Robertson, Hon. W. McL., P.C.
Address in reply to Speech from the Throne, 69
Canada's prosperity, 76
Currency devaluation, 72-77
Dollar-sterling crisis, 71
International trade, 71, 77
Newfoundland, 70
Prime Minister's residence, 70
Animal Contagious Diseases bill, 270
Appropriation bills,
No. 6, 170, 172
No. 7, 474
Atomic Energy committee—inquiry, 225
Bankruptcy bill, 69, 97, 209
British North America Act amendment, 69, 106, 189
Notice of substitute motion, 181
Canadian National Railways Financing and Guarantee bill, 382
Canadian Red Cross Society bill, 474
Combines Investigation bill, 321-323
Committee of Selection, 5, 18
Criminal Code (Bill D), 18, 27, 36
Customs bill, 272, 274
Czechoslovakia, claims against, 457, 461
Deceased senators, 6, 379, 394-396
Department of Justice bill, 5, 38
Department of Mines and Technical Surveys bill, 386

Robertson, Hon. W. McL., P.C.—*Con.*
Department of Resources and Development bill, 385
Documents tabled, 5, 106, 107
Dominion Lands Act Regulations, 380, 394
Estimates, 205
Exchequer Court bill, 5, 36
Export and Import Permits bill, 142, 165
Felicitations to Speaker on his appointment, 1
Human Rights and Fundamental Freedoms, 246, 461
Industrial Development Bank bill, 377
Israel, diplomatic and trade relations with, 457, 461
Livestock Pedigree bill, 106, 127
Maritime Lumber industry, 367, 460
National Defence bill, 211, 289, 462
National Trade Mark and True Labelling bill, 142, 168
Nehru, Pandit J., Prime Minister of India, 142
Pension Fund Societies bill, 181, 225
Pottery industry, inquiry and answer, 246
Prairie Farm Assistance bill, 368
Senate
Business of, 24, 96, 136, 137, 142, 148, 247, 319, 461, 463, 467
Committees, 18, 38
Distribution of documents—Commons Votes and Proceedings, 319
Procedure, 309
Rules, suspension of, 27, 327, 350, 472
Supreme Court bill, 106, 107, 187
Surplus Crown Assets bill, 275
Trans-Canada Highway bill, 329
Veterans' Land bill, 406-408
West Indies, trade with, 289, 290-295

Roebuck, Hon. A. W.
Address in reply to Speech from the Throne, 50
Currency, control and devaluation, 54, 55
Dollar-sterling crisis, 50-56
Great Britain, 51-54
Appropriation bills
No. 5, 68
No. 6, 172
Canadian Overseas Telecommunication Corporation bill, 338-342
Combines Investigation bill, 324-326
Criminal Code (Bill D), 29, 31, 33, 35
Criminal Code (Bill No. 10), 416, 421-427
Customs bill, 274
Deceased senators, 9
Department of Justice bill, 38
Dollar-sterling crisis, 50-56
Exchequer Court bill, 37
Fish Inspection bill, 354
Human Rights and Fundamental Freedoms motion, 215, 216, 318; motion withdrawn, 464-467

Roebuck, Hon. A. W.—*Con.*
National Defence bill, 401, 462
National Housing bill, 364
Pension Fund Societies bill, 223
Point of privilege, 90
Supreme Court bill, 181-184

Ross, Hon. G. H.
Supreme Court bill, 175

Royal Assent, 68, 180, 476

Senate
Abolition of, 195, 198
Appointment of women to, 61, 62, 113, 115, 135, 154, 186
Business of, 24, 96, 118, 136, 137, 142, 148, 248, 320, 461, 463, 467
Committees
Appointment, 5, 18, 25, 38, 39
Divorce, addition to personnel, 69
Reports, 148
Money bills—1918 report of special committee, 249
Powers of, 240
Proposal to curb, 91
Rules, suspension, 27, 472; notice of motion, 327, motion, 350
Staff of—Internal Economy Committee report, 394

Senators
Deceased, 6-10, 379, 394
New, 1, 24, 50

Sinclair, Hon. J. E., P.C.
Animal Contagious Diseases bill, 309
Deceased senators, 397

Social security, 56

Socialist policies, 45

Speech from the Throne
Address in reply
Motion for, 10; adopted, 141
Speakers:—Hon. Senators Baird, 56; Burchill, 58; Crerar, 137; Euler, 91; Fallis, 60; Gershaw, 41; Godbout, 10; McLean, 101; Petten, 13; Robertson, 69; Roebuck, 50; Vaillancourt, 99
Message of thanks from His Excellency, 225
Motion for consideration of, 4

Tariffs, 58, 104, 106, 250-263, 274, 283-285, 289, 293

Taxation, 272-275, 323, 379, 403-406, 431-449, 451

Textiles, 273, 275

Trade, Canadian, 251, 260, 264, 284

Trans-Canada Airways, 383-384

Trans-Canada Highway, 17, 21, 329-336, 350

Turgeon, Hon. J. G.
Alberta Natural Gas Company bill, 50, 77, 83
Canadian Red Cross Society bill, 469-473
Deceased senators, 9
Human Rights and Fundamental Freedoms, 264-267
Pacific Great Eastern Railway Aid bill, 342-347

Union of world democracies, 93

United Nations, 265-267

Vaillancourt, Hon. Cyrille
Address in reply to Speech from the Throne, 99
Felicitations to Speaker on his appointment, 99
Housing, 99
Moral and spiritual values, 101
Work, importance of, 100
Combines Investigation bill, 326
Daylight Saving, 305
Human Rights and Fundamental Freedoms motion, 463
Income Tax and Income War Tax bill, 449
Temiscouata Railway bill, 380

Vien, Hon. Thomas, P.C.
Daylight Saving, 300

West Coast Transmission Company
Petition, 69

West Indies trade, 250-263, 274, 283-285, 289, 290-295

Women
Status of, 61, 62, 113, 115, 135, 154, 186, 267